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# MAY 13, 2025 Auditor General Work Plan Status

## Report

05.13.2025

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Office of the Municipal Auditor General,  
The Corporation of the City of Windsor

# Executive Summary - May 13/25

## Completed February 1 - May 13, 2025:

- Ford City BIA Compliance with City Governance Bylaw Review
- BIA Lessons Learned for Consideration
- Investigation - Heritage Permit Building Violation
- Investigation - Investment Practices
- Investigation - Disclosure of Confidential Information (*closed/dropped*)
- Investigation - Supported Lodging Home Treatment Concerns (*closed/dropped*)
- Concerned Citizen and Employee Hotline Protocol Enhancements

## Ongoing activities:

- Completed testing and findings validation related to Investigation - Unfair Treatment of Service Provider, issued draft report for Administration action plan responses. Report anticipated for June/July Council meeting.
- Completed research and testing on Investigation - Property Lien Issues in December. However, it was delayed as the complainant provided new evidence in January. Administration provided additional new evidence based on the validation of the working paper in March. Report anticipated for June/July Council meeting.
- Deferred conflict of interest complaint investigation due to the active ongoing investigation in the same department for a prior time. Report expected in July/August.
- Commenced and completed Investigation - Investment Practices.
- Engaged with a professional services firm to provide short-term support for investigations. Commenced initial planning activities.
- Commenced initiative to communicate the Essentials of Governance of Internal Audit.
- Reviewed and provided comments to Administration regarding Audit Committee structure report.
- Commenced the OAG research on publicly available materials related to other municipal AGs and future considerations.
- Ongoing administration of the Concerned Citizen and Employee Hotline.
- Ongoing functional and reporting requirements for the Office of the Auditor General.

## Concerned Citizen and Employee Hotline and Investigation Status

- At 36.4% of the way into the year, inbound messages to Hotline are at 79% of 2024's annual total; with 90% being spam, hang-ups or mistakes. Inbound messages that qualify for investigation remain at a more constant level overall.
- Inbound allegation qualification and analysis continue to require follow-up effort. Further, for the first time several inbound allegations have had complainants have withdraw or drop the allegation while qualification was in process.
- Several inbound complaints related to allegations of treatment or fairness but have not been escalated through all levels of Administration required or are more legal in nature. Follow-up communications with these complainants has resulted in individuals expressing concern with regards to the process/protocol.
- Modifications to the guiding protocol have been proposed to reduce the required follow-up effort.

## Ethical Considerations Noted During the Period

Professional standards require internal auditors to report behaviour inconsistent with the organization's ethical expectations. During the period, we noted the following:

















- No such behaviour or concerns were noted.

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# Work Plan Progress

## 2025 Initiative Progress

| Planned Project   | Progress | Report Issued   |
|---|----------|---|
| Ford City BIA   | 100%     |  <sup>1</sup>  |
| Walkerville BIA   |          |   |
| Pillette Village BIA  |          |   |
| Wyandotte Town Centre BIA   |          |   |
| Sandwich BIA  |          |   |
| Complete BIA Consolidated Work (Carryforward)   |          |   |
| IIA International Professional Practices Revisions Roadmap and Alignment with Municipal Act (Auditor General Elements) (Carryforward) | 100%     |     |
| Investigations (see Investigation of Allegations - Status Overview section below for further details)                                 | 31.5%    |   |
| Concerned citizen and employee hotline  | 37.77%   |     |
| Risk assessment refresh   | 0%       |    |
| Annual quality self-assessment and reporting  | 0%       |    |
| Execute management relationship management plan and performance reporting   | 5.00%    |    |
| AG function   | 52.50%   |     |
| Unallocated/Potential Investigations  | 100%     | NA  |
| Auditor General Peer Research & Recommendations   | 4.56%    |    |
| <b>Overall Plan Progress</b>  | 49.2%    | NA  |






**Legend:**

To be issued  Issued/Completed  Cancelled 

<sup>1</sup>As per the 2025 Auditor General Workplan the BIA efforts have been consolidated into a general report/lessons learned analysis given initial work conducted.



## Investigation of Allegations - 2025 Status Overview

| Planned Project  | Progress Completed  |
|--|---|
| <b>Completed</b>   |   |
| Report Integrity Concerns                                    |  |
| Heritage Permit Building Violation                           |  |
| Disclosure of Confidential Information*                      |  |
| Supported Lodging Home Treatment Concerns*                   |  |
| Investment Practices   |  |
| <b>In Process</b>  |   |
| Property Lien Issues   | 95%   |
| Unfair Treatment of Service Provider                         | 86%   |
| Conflict of Interest   | 14%   |
| Parking Ticket Practices                                     | 5%  |
| Treatment of Citizen   | 10%   |
| Building Inspections   | 7.5%  |
| Inappropriate Service and Treatment Regarding Social Support | 7.5%  |
| <b>BACKLOG</b>   |   |
| Hiring Practices   | 1%  |
| Innapporaitte Compensation Practice                          | 2%  |
| Road/Citizen Safety During Construction                      | 1%  |
| Employment Concerns  | 1%  |
| Procurment Practices   | 1%  |
| City Vehicle Traffic Violation                               | 1%  |

\*Complaint withdrawn or alternatively routed after investigation commenced.

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### **Concerned Citizen and Employee Hotline Protocol Enhancements**

Enclosed is the revised Concerned Citizen and Employee Hotline Protocol with modifications (Appendix A). In the last presentation to Council, the Auditor General identified that enhancements would be suggested to the Concerned Citizen and Employee Hotline Protocol.

One suggestion was that a time period limitation on how far back allegations might be made. In research across other Ontario municipalities, no time limits were noted. Based on this research, no time limit is recommended.

To highlight the risk and difficulty with investigations older than 18 months, a complainant allegation letter has been developed. This has been incorporated into the protocol revisions.

The revisions for Council's review and approval are outlined using track changes in Appendix A. A clean final copy is included in Appendix B. The modification may be summarized as follows:

- Added section 2.4 regarding AG role and guiding frameworks (and Appendix C of the Protocol).
- Section 7.6, regarding risk rating investigations, was added to enable a scheduling framework.
- Sections 10.1 and 10.2 were updated to remove specific hours from the protocol and have them presented annually (as they have been) in the Annual Auditor General Workplan
- Appendix A was updated to allow for focused information collection between fraud, waste, and misuse of City Assets versus mistreatment type for complaints, to collect the required information, and to align with Appendix C. This layout will present the complaint with the relevant sections to complete based on the nature or their allegation and remove those not relevant to the nature of the complaint,

An update to the City's Accountability and Transpacey webpage is proposed as part of the protocol update.

## Appendix A - Reports issued in the period

An extract of the report's executive summary is included below, and the full report is attached in the appendix to this status report.

### Ford City Business Improvement Area GOVERNANCE BYLAW COMPLIANCE INTERNAL AUDIT REVIEW

#### Ford City Business Improvement Area Governance Bylaw Review Overview

Ford City Business Improvement Association (BIA) works towards the attraction, retention and promotion of businesses in the historic Ford City area. Historic, unpolished, and ready, Ford City and Drouillard Road is home to businesses and entrepreneurs who are not afraid to take risks.

In 2023, the BIA had actual revenues of \$47,891, including levies of \$32,000, a 1.3% increase over 2022. An annual deficit of \$7,409 was incurred but was covered by reserves. There are 160 businesses/property owners listed on the membership listing.

#### Context Setting

Conducting a compliance audit within the first year of implementing a new framework can offer significant benefits regarding the early detection of issues, organizational awareness, and framework alignment. However, it also comes with risks, including potential strain on resources, misinterpretation of results due to framework infancy, and resistance from personnel. Such a review should anticipate compliance exceptions, as should the reader of the report.

For entities in their first year, we anticipated either Needs Improvement or Non-compliance ratings. The latter rating applies to smaller BIAs or those with a new level of required evidence for compliance.

#### Insights

- The City of Windsor Business Improvement Area Governance Bylaw (Governance Bylaw) was recently (late April 2023) put in force when considering the scope period of this review.
- While several controls were noted as being in effect or partially compliant, management representation was required for many controls.

- The governance bylaw contains a significant volume of control activities and processes, which will likely increase efforts for a BIA of this size.

## Project Purpose

The objective of this internal audit was to consider the BIA's compliance with a significant portion of the Governance Bylaw and selected topics such as procurement, hiring and termination.

The scope period for the review was May 2023 through September 2024.

## What We Did

Below is a sample selection of some of our activities:

We considered 74 specific areas of compliance with the Governance Bylaw. We also reviewed the BIA website to understand the overall context and the Board minutes.

We met with management several times to review the various activities that Ford City BIA undertook to comply with the governance bylaw.

We requested and acquired evidence to support management's description of the controls.

In various instances, we selected samples from a population and tested the operating effectiveness of the controls.

We acquired management representation where management indicated controls or activities existed but could not be demonstrated through evidence at the time of our review.

## What We Found

Ford City BIA complied with 55.35% of the 56 control requirements during that period. An additional 18 control requirements were deemed not applicable to the BIA.

## Overall Assessment

### Non-compliant

#### Management Comments

We have recently completed the compliance audit and have a few comments relating to the process and outcome of the audit.

This audit was no small task. Our Executive Director has 15 hours a week assigned and this audit went beyond those hours, on top of the daily, operational tasks of the BIA. The Ford City BIA is very organized and has everything under control, but even with that said, the audit took a significant (and far more than anticipated) amount of time.

|        |   |                                  |
|--------|---|----------------------------------|
|        | <p>The Ford City BIA has the smallest budget of the BIAs in the City of Windsor. Due to our size and scope, many items in the audit do not directly apply to us and so it appears that we are “non-compliant”. For example, we do not have a travel plan, because we do not have the funds nor time to do any BIA-related travelling, and so, we appear to be non-compliant. We believe the BIA’s would benefit more from a risk-related audit versus a compliance audit.</p> <p>Since the implementation of the new City of Windsor BIA by-law, BIAs have not been provided with any training or tools to complete the tasks outlined within the by-law, again, showing non-compliance. As a small BIA with limited hours, we are seeking support from the City to assist with the additional items we are being asked to provide to comply with the new by-law.</p> <p>The Ford City BIA looks forward to working with the City of Windsor to ensure we are in compliance and attending any support training that is being offered.</p> |                                  |
| Name:  | Shane Potvin  | Kaitlyn Karns                    |
| Title: | Ford City BIA Chair   | Ford City BIA Executive Director |
| Date:  | March 20, 2025  |                                  |

|                                     |  |
|-------------------------------------|--|
| <b>Administrations<br/>Comments</b> | <p>A significant amount of administrative effort was put forth in the development of the Governance Bylaw during which several meetings were held with members and representatives of the BIA Boards to review, provide context and seek feedback with regards to the requirements included in the Bylaw. In addition, BIAs have been provided access to a dedicated single point of contact at the City who is available to respond to questions from the BIA’s. Further a centralized email address was made available where BIA’s could raise questions and seek clarification on a matter that may arise. This e-mail is regularly monitored for timely responses.</p> <p>Administration acknowledges that specific training regarding the Governance Bylaw has not yet been offered to the BIA board members. Administration recognizes the importance of this training and are committed to finalizing training materials to ensure training is comprehensive, relevant, and supports the BIA’s in meeting the governance requirements. The goal is to schedule and deliver training by the Fall of 2025. Future training, which aligns with the</p> |
|-------------------------------------|--|

|        |   |
|--------|---|
|        | term of Council and election of BIA Boards will be scheduled commencing in 2027. Training will incorporate key aspects as identified through the Ford City Business Improvement Area Internal Audit Review (January 15, 2025) as well as other items for consideration as identified in this report. At this time, Administration is not recommending any proposed changes to the current Governance Bylaw. Those areas where compliance may be challenging for the BIA's will be highlighted for further discussion as part of the planned training. |
| Name:  | Janice Guthrie  |
| Title: | Commissioner of Finance/City Treasurer  |
| Date:  | April 9, 2025   |

## Business Improvement Area

# GOVERNANCE BYLAW COMPLIANCE INTERNAL AUDIT CONSIDERATIONS FOR ADMINISTRATION IN ADVANCE OF BIA TRAINING SESSIONS

### Business Improvement Area Governance Bylaw Review Overview

Compliance reviews of how the nine BIAs comply with the City BIA Governance Bylaw were commenced in 2024 and were expected to span 3-4 years. Given the insights of two in-flight reviews and initial conversations with other BIAs, the Auditor General recommended a change in approach to optimize the effort expended on BIAs.

The revised approach was to complete the one in-flight review and to summarize key items noted so far in any other BIA work conducted to date and to close out the project files.

The results of these reviews are to be provided to the BIAs and City Council.

Management should consider the findings reported as part of the planned Governance and Conflict of Interest training.

Three to five years after communicating the consolidated themes and completing the City Governance and Conflict of Interest training, a compliance review of two to three randomly selected BIAs is anticipated

### What We Did

Below is a sample selection of some of our activities:

We completed one full BIA review where 74 specific areas of compliance with the Governance Bylaw were considered. We also commenced and conducted a fair portion of testing and even more evidence collection for two other BIAs.

We reviewed many BIA websites to understand the overall context and the Board minutes as well as to evaluate the required web publication elements of the Governance Bylaw.

We collected publicly available data and information from external auditors as part of evidence collection.

### What We Found

BIAs would benefit from:

- (1) training on minimum expectations,
- (2) leveraging City published materials and
- (3) developing an approach to ensuring sustained compliance with all aspects of the bylaw over a 12-18 month period.

|                                     |  |
|-------------------------------------|--|
| <b>Administrations<br/>Comments</b> | <p>A significant amount of administrative effort was put forth in the development of the Governance Bylaw during which several meetings were held with members and representatives of the BIA Boards to review, provide context and seek feedback with regards to the requirements included in the Bylaw. In addition, BIAs have been provided access to a dedicated single point of contact at the City who is available to respond to questions from the BIA's. Further a centralized email address was made available where BIA's could raise questions and seek clarification on a matter that may arise. This e-mail is regularly monitored for timely responses.</p> <p>Administration acknowledges that specific training regarding the Governance Bylaw has not yet been offered to the BIA board members. Administration recognizes the importance of this training and are committed to finalizing training materials to ensure training is comprehensive, relevant, and supports the BIA's in meeting the governance requirements. The goal is to schedule and deliver training by the Fall of 2025. Future training, which aligns with the term of Council and election of BIA Boards will be scheduled commencing in 2027. Training will incorporate key aspects as identified through the Lessons Learned - Business Improvement Area Internal Audit Review (January 15, 2025) as well as other items for consideration as identified in this report. At this time, Administration is not recommending any proposed changes to the current Governance Bylaw. Those areas where compliance may be challenging for the BIA's will be highlighted for further discussion as part of the planned training.</p> |
| <b>Name:</b>                        | Janice Guthrie   |
| <b>Title:</b>                       | Commissioner of Finance/City Treasurer   |
| <b>Date:</b>                        | April 9, 2025  |



## HERITAGE APPROVALS & ROSELAND GOLF COURSE SHED AUDITOR GENERAL COMPLAINT INVESTIGATION

### Background

An allegation was received regarding Roseland Golf Course, indicating that in 2008, the demolition of old sheds and the erection of new sheds occurred without a Heritage Permit. In this instance, the City is both the applicant and the regulator.

The Heritage Permit process was not in place at the time of the maintenance shed work related to Roseland Golf Course Administration. At that time Administration was bringing requests for demolition to Council seeking “written consent” under the Ontario Heritage Act. As such, the allegation has been modified to reflect the requirements at that time, which align to the Heritage Act.

**Revised allegation:** An allegation was received regarding Roseland Golf Course, indicating that in 2008, the demolition of old sheds and the erection of new sheds occurred without Council’s written consent. In this instance, the City is both the applicant and the regulator.

### Investigation Approach

This report examines whether appropriate heritage approvals were obtained for the demolition and reconstruction of structures located on a municipally owned, heritage-designated property.

The investigation was initiated to clarify compliance with the *Ontario Heritage Act*, the relevant City of Windsor by-laws, and internal procedures related to alterations on heritage properties. The focus included work concerning the Roseland Golf Course Maintenance Sheds in late 2008 and early 2009.

The approach involved:

- Verifying the heritage designation status of the property;
- Reviewing City records for permits or approvals issued in relation to the work;
- Assessing whether alternative approvals or documented rationales were in place where formal permits were not found;
- Analyzing legislative and regulatory requirements under the *Ontario Heritage Act* and City by-laws; and
- Evaluating the alignment of administrative actions with those requirements.

As the property in question is municipally owned, the City has a dual responsibility—both as the regulator and as a property owner—to ensure full compliance with provincial heritage legislation and its own policies. This report seeks to support transparency, accountability and informed decision-making regarding heritage stewardship and approval processes.

### Scope Limitation

Given the time when the allegation occurred, investigators could not confirm what general guidance or documentation was published on the City's website in late 2008. As a result, this review could not assess the specific heritage information, instructions, or procedural content that may have been accessible to staff or the public through the City's website during that period.

### Summary of Procedures and Findings

Summary of Allegation Investigation Results:

**Allegation:** An allegation was received regarding Roseland Golf Course, indicating that in 2008, the demolition of old sheds and the erection of new sheds occurred without Council's written consent. In this instance, the City is both the applicant and the regulator.

#### Conclusion: Allegation partially warranted.

The new maintenance sheds adhered to the OHA alteration requirements.

The recommendations adopted for demolition/removal of the previous sheds indicate implied approval. They did not have explicit wording indicating that written City Council approval was required to remove/demolish a structure on heritage-designated property as per the OHA. To an independent reviewer, it is unclear if the City Council of the time would have known they were also exercising their authority as the regulator under the OHA for these recommendations.

Recommendations for Administration may be summarized as follows:

1. In the future, any and all removal/demolition of structures on heritage-designated properties should clearly indicate that City Council's approval is being sought for removal/demolition of a structure on heritage-designated property under the OHA.

## INVESTMENT PRACTICES AUDITOR GENERAL COMPLAINT INVESTIGATION

### Background

The complainant alleges that:

1. Administration recommended an Investment in April 2024. The investment policy change effectively sets the portfolio limit for credit unions at 35% and the limit for individual institutions at 25% (this is given limits and discretionary powers). One of the supports noted was a review of four comparator municipalities (not named in the report provided to Council). However, after the complainant conducted a “thorough search, they have been unable to find any municipal investment policies that contain limits this high for investments in the credit union sector or for individual institutions.”
2. The flexibility offered by treating the Windsor-Essex Hospital Plan Investment Portfolio as a separate portfolio in terms of complying with maximum portfolio limitations (both sector and institutional) has led to an over-concentration of risk for this investment in one sector or a single institution.
3. Based on Administration’s report to the Council, the City’s investments have exceeded sector and institutional limits in 2022 and 2023. This has not been correctly reported to Council (per the Municipal Act Reg. 438/97 (8.1) and the City’s Investment Policy clause 4.6.7).
4. The City of Windsor’s investment governance structure may lack sufficient oversight and transparency. Specifically related to three concerns.
5. The City of Windsor may lack sufficient oversight over its investment practices, particularly regarding the General Investment Portfolio and the Windsor-Essex Hospital Plan Investment Portfolio, which together total approximately \$621 million in reserve funds. Unlike some other Ontario municipalities that mandate independent or external audit review of their investment activities as part of their formal investment governance, Windsor does not currently require such review. This raises concerns about whether the City’s investment decisions and use of discretion are subject to adequate independent scrutiny, and whether the current oversight framework provides sufficient accountability for the management of significant public funds.

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**Investigation Approach    Allegation #1:**

1. Consider the Council decision and the role of the Auditor General in such an allegation.
2. Assess whether the policy change was implemented transparently.
  - a. Understand which four municipalities were considered as part of Administration's analysis.
  - b. Reviewing the four investment policies, or equivalent evidence, to ascertain the support for the Administration's statement.
  - c. Assess if the change was considered in public in a manner consistent with other policy changes.
3. Consider the risk of 3.2.7 and permitted use/exposure
  - a. Consider the requirements of clause 3.2.7.
  - b. Consider if 2022 and 2023 Credit Union holdings exceeded the former limit, and if required disclosures were provided and permitted.
4. Consider concentration/portfolio and sector risks in light of peers.
  - a. Sector Concentration Risk
  - b. Consider total possible portfolio limits compared to the four comparators used by Administration
  - c. Consider changes in the sector related to Credit Unions

**Allegation #2:**

1. Determine if the Windsor-Essex Hospital Plan Investment Portfolio is approved to be established as a separate portfolio.
2. Review evidence to determine if the compliance report shows the portfolio is within limits.
3. Are there specific limits, and does the Investment Policy Framework apply to the Hospital Fund?

**Allegation #3:**

1. Consider if there is a breach of provincial regulation 438/97.
2. Consider if there is a breach of Investment Policy Limits, considering Council-Authorized Exceptions.
3. Consider if there is a breach of the City's Investment Policy related to clause 4.6.7

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**Allegation #4:**

1. Consider the delegation and discretionary limits in place at the City compared to other municipalities, including the four comparators used by Administration.
2. Consider the reporting transparency in place at the City compared to other municipalities, including the four comparators used by Administration.

**Allegation #5:**

1. Determine if there is any legal necessity for an independent review.
2. Consider and compare with the peers previously used in other tests in this investigation.

**Summary of Procedures  
and Findings**

**Support was not found for the majority of the allegations.**

Allegation #1: The allegation is not supported.

Allegation #2: The allegation is not supported.

Allegation #3: The allegation is not supported.

Allegation #4: The allegation is partially warranted.

Allegation #5: The allegation is not supported.

**Recommendations for Administration regarding:**

1. Further enabling transparency and accountability, Administration should consider including comparator names and summary comparisons in future public materials.
2. Administration should conduct periodic stress testing or sensitivity analysis to assess downside risk scenarios (e.g., interest rate shocks, deposit insurance events, liquidity mismatches), or other oversight controls to monitor sector concentration risk and why, or why not, it is a concern.
3. Consider low-cost transparency improvements (e.g., reporting discretionary use or holdings by institution), and reassess the need for larger-scale changes only if similar concerns arise again or if the City's investment structure grows in complexity or scale.

Management has provided responses to address the findings.

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## **DISCLOSURE OF CONFIDENTIAL INFORMATION AUDITOR GENERAL COMPLAINT INVESTIGATION**

The Disclosure of Confidential Information Allegation was closed during investigation.

Initial discussions and further clarification indicated that the allegation investigation was to be ceased given that:

- The complainant has engaged other external oversight bodies, wherein the Office of the Auditor General would defer to the oversight bodies' determinations.
- Duplication of effort should be avoided.
- Investigating records actively being reviewed by an oversight body could impair one or both reviews.

As such, any investigation into the Disclosure of Confidential Information Allegation was closed.

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## **SUPPORTED LODGING HOME TREATMENT CONCERNS AUDITOR GENERAL COMPLAINT INVESTIGATION**

The Supported Lodging Home Treatment Concerns allegation was closed.

Initial investigative discussions and further clarification indicated that the allegation investigation should stop. Considerations and material reviewed included:

- Homelessness Prevention Program (HPP) Program Guidelines April 2022
- Housing With Supports Standards Housing Support Services Revised December 30, 2019
- Special Provisions Residential Services Homes Rev. April 2023
- Review of Ministry requirements/publications regarding Service Managers and the programs they oversee.

The complainant had an active investigation/complaint, which the City was aware of and where the City was actively involved as a Service Manager. As the City had not completed its work/support as Service Manager, the complaint should not yet be reviewed as management was still in the process of assessing/addressing the concern.

No additional complaints were received after the initial influx.

## Appendix B - Complaints & Investigation

| Year | Checked within timeframe | Inbound | Pending Further Information from the Complainant | Hangups/Spam | Routed to Management | Other | Submitted for Qualification |
|------|--------------------------|---------|--|--------------|----------------------|-------|-----------------------------|
| 2024 | Yes                      | 384     | 0  | 341          | 16                   | 15    | 12                          |
| 2025 | Yes                      | 304     | 0  | 273          | 5                    | 17*   | 9**                         |

\* Four of the "Other" related to allegations dropped by the complainant after submission and during the analysis stage. Seven, relate to items outside the authorized scope. The other eleven were complaints submitted outside the scope of the Concerned Citizen and Employee Hotline Protocol.

\*\*Four complaints all relate to the same matter and will be administered as one investigation.

| Distribution of Qualified Investigation           | Count Per Prior Status Report | Change in Period | Count as at Current Status Report |
|---|-------------------------------|------------------|-----------------------------------|
| Investigations Completed                          | 0                             | +3               | 3                                 |
| Investigations Withdrawn/<br>Routed Alternatively | 1                             | +1               | 2                                 |
| Investigations Ongoing                            | 6                             | +1               | 7                                 |
| Investigation Queue                               | 8                             | (-2)             | 6                                 |
|   | <b>15</b>                     | <b>+3</b>        | <b>18</b>                         |



## Appendix C - Concerned Citizen/Employee Hotline And Notification Protocol (Track Changes)

The following appendix outlines the modifications to the concerned citizen/employee hotline and notification process. Modifications are in blue and strikeout.

### VERSION HISTORY

|                  |  |
|------------------|--|
| June 17, 2013    | Approved by City Council Resolution  |
| January 13, 2014 | Proposed modifications to include section 7 – Effort Allocation for Call Analysis  |
| March 31, 2014   | Modifications for inclusion of Code of Conduct considerations, complaint submission requirements, changes for modes of communications and materiality  |
| July 22, 2024    | <ul style="list-style-type: none"><li>• Added precision to elements such as timing, determination of protocol applicability, and timelines and adjusted wording on role consolidation.</li><li>• Reduced layers of review no longer necessary.</li><li>• Aligned scope boundaries to other public municipal complaint procedures.</li><li>• Added consideration for workplace issues and citizen treatment escalation.</li><li>• Added sections on Anonymity, Confidentiality, Whistle Blower Protection (impacts section numbering)</li><li>• Updated escalation procedures and effort allocations for actual impacts noted in last 2-3 years</li><li>• Reduced materiality considerations</li><li>• Revised complaint submission forms to enable digital capture option, support the</li></ul> |

|                |   |
|----------------|---|
|                | collection of required minimum information and provide alternate collection methods   |
| April 28, 2025 | <ul style="list-style-type: none"><li>• Added section 2.4 regarding AG role and guiding frameworks (and Appendix C)</li><li>• Added section 7.6 regarding risk rating investigations</li><li>• Added section 7.7 regarding express consent/acknowledgement from complainants</li><li>• 10.1 and 10.2 were updated to remove specific hours from the protocol and have them presented annually (as they have been) in the Annual Auditor General Workplan</li><li>• Appendix A was updated to allow for focused information collection between fraud, waste, and misuse of City Assets versus mistreatment type for complaints, to collect the required information, and to align with Appendix C.</li></ul> |

The Concerned Citizen/Employee Hotline Protocol (“CCEHP”) is effective from the date of Council approval and applies to all ongoing and future allegations, complaints and investigations.

## 1.0 Overview

- 1.1 This protocol is intended to guide the CCEHP Administrator in dealing with inbound notifications from the CCEHP and other sources.
- 1.2 This protocol establishes a procedure to track and take necessary actions regarding all calls/voice mails, emails, posted letters and 1:1 conversations whereby an allegation is submitted to the CCEHP for consideration.
- 1.3 This protocol will also guide the management and handling of inbound communications about suspected fraud, waste, or abuse of City assets from other sources.
- 1.4 Upon receipt of notification from the investigating parties, City personnel will comply with corporate expectations for investigation and resolution. As part of that process, management will consider the requirements of the various collective agreements.
- 1.5 In the remainder of this protocol, calls to the hotline and communications received from other sources will be referenced as allegations.
- 1.6 Please refer to the definitions in section 2.6 of this protocol for further information on what constitutes fraud, waste, misuse, and city assets.

## 2.0 PURPOSE/SCOPE

- 2.1 The CCEHP is for use by either community residents or City of Windsor employees. It is not intended to conduct everyday customer service discussions. It is also not designed for complaints of a general nature by employees about City Council or management, including complaints that are usually and properly handled by personnel, payroll, or health and safety.
- 2.2 Complaints may be filed regarding the City of Windsor:
  - employees,
  - Management, and
  - contractors.
- 2.3 The CCEHP process does not apply to:
  - the Mayor or City Councillors or their political office staff (please contact the Integrity Commissions for such concerns)
  - The Windsor Essex County Health Unit
  - The Essex Region Conservation Authority

- 
- Local Boards (with approved Opt-In Letters)
  - Municipally Controlled Corporations
  - Grant Recipients
  - The Committee of Adjustment
  - The Windsor Public Library
  - The Windsor Police Services Board (WPSB)
  - The Windsor Public Library Board (WPLB)

The Auditor General directs allegations related to elected officials or their staff to the Integrity Commissioner for appropriate action.

The Auditor General will direct allegations related to the Boards, Corporations, Committees, and Organizations to the Finance Executive Initiatives Coordinator for forwarding to the appropriate organizational contacts.

Questions regarding the local boards contacts for submitting such allegations should be directed to the City Clerk.

## 2.4 The Auditor General will oversee the CCEHP and supporting processes as a function of the Office of the Auditor General, following the approved Concerned Citizen and Employee Hotline Protocol. This is in addition to the Auditor General's responsibilities under the Municipal Act.

Where an investigation is determined as the appropriate outcome, the work will be conducted using good complaint investigation practices; as such, the investigation activities are not required to comply with the Institute of Internal Auditors Professional Practices Framework. Instead, the framework outlined in Appendix C will be used as a general guide in conducting investigations along with professional judgment. This appendix is based on:

- Uniform Principles and Guidelines for Investigations
- Complaint Mechanisms Reference Guide by Transparency International
- Investigation Guidelines by the United Nations Development Programme (UNDP)

## 2.45 Workplace and Citizen Service Issues

### 2.45.1 Where do Workplace Issues fit in?

Workplace issues include concerns about staff members raised but not addressed by a staff member's immediate supervisor or manager. Complaints about staff members that have not been resolved to the complainant's satisfaction should be forwarded to senior management or Human Resources personnel for resolution or included in a formal grievance.

City staff should not use the hotline to address workplace issues unless they continue to be unresolved after being brought to the attention of their immediate supervisors or raised through one of the internal reporting mechanisms for health and safety concerns or the prevention of workplace violence, harassment, and discrimination.

Complaints submitted through this Hotline or directly to the Auditor General will require support demonstrating prior escalation to area senior management or Human Resources and the functional City Leader.

#### 2.45.2 As a Citizen or Taxpayer, How Do I Raise a Concern With How I Was Treated?

Service issues include concerns about the treatment citizens and taxpayers receive when engaging with or being serviced by the City. Complaints about interactions with City personnel should be raised to management or via 311. Complaints that have yet to be resolved to the complainant's satisfaction should be forwarded to senior management or Human Resources personnel (and the Functional Leader) for resolution.

Citizens and taxpayers should only use the hotline to address unresolved service issues after being brought to the attention of the area supervisor and Executive Management or Human Resources.

Complaints submitted through this Hotline or directly to the Auditor General will require support demonstrating prior escalation to area Executive Management or Human Resources and the functional City Leader.

- 2.56. Allegations logged with the CCEHP or Auditor General must have the individual submitting the allegation provide the following basic information to have the allegation considered. Allegations which do not provide the required information after two follow-ups within 30 days will be deemed closed.

The required information is:

- a) First and last name
- b) Two contact methods - preferably email and phone number, but address is also acceptable
- c) Attestation that the complainant is a citizen or taxpayer of the City of Windsor or a representative thereof
- d) Summary of the nature of the allegation
- e) Listing of all evidence and willingness to provide it

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f) Functional area the allegation relates to

g) Summary and supporting evidence of prior attempts at escalation/resolution where the allegation relates to workplace or citizen treatment concerns.

The City of Windsor—Concerned Citizen/Employee Complaint Form will be used to capture this information online. The form may be completed online, downloaded for completion, and submitted digitally or via postal services. Where alternative completion methods are required to support the complainant, the Auditor General will contact the complainant to find submission solutions.

2.67. The CCEHP is for use by citizens and employees lodging complaints related to fraud, waste or misuse use of City assets. These elements are defined as:

City Assets – Includes all tangible and intangible property of the City, including but not limited to equipment, financial assets, land, vehicles, material, computers, electronic mail, internet services, information and work time;

Fraud – For this protocol, fraud includes, but is not limited to, the following acts characterized by deceit, concealment or wilful blindness to policy, procedure or appropriate practice:

- a) Forgery, alteration or fraudulent creation of documents including, but not limited to, cheques, drafts, promissory notes, securities, timesheets, purchase orders, other blank documents of value such as invoices, billing slips, permits, licenses, etc;
- b) Any misappropriation, embezzlement, unauthorized use or misuse of cash, funds, securities, supplies, furniture, equipment, materials, records or any other asset;
- c) Any irregularity in the handling or reporting of money transactions;
- d) Any intentional, false representation or concealment of a material fact for the purpose of improperly obtaining or impairing a City of Windsor asset;
- e) Demanding, requesting or accepting anything having value from vendors, consultants, contractors, or anyone doing business with the City as a condition of their doing business with the City or in order for them to receive preferential treatment from the City;
- f) Offering or providing anything having value to clients, vendors, consultants, contractors, or anyone doing business with the City as a means of obtaining preferential treatment or benefit for the employee, any other person or the City;
- g) Any intentional violations of the Corporate Conflict of Interest Policy;

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- h) Any computer-related activity involving the alteration, destruction, forgery or fraudulent manipulation of data and any misappropriation of City-owned software;
  - i) Any claim for reimbursement of expenses that were not incurred as a recognizable business expense for the City's benefit or that are in violation of the Corporate Business and Travel Expense policy;
  - j) Authorization or receipt of payments for goods not received or services not performed other than normal prepaid expenditures;
  - k) Authorization or receipt of payment for hours not worked;
  - l) Any apparent violation of Federal, Provincial or local laws related to dishonest activities or fraud.

Waste refers to the inefficient use of municipal resources and any operation, process, or activity in which municipal resources may be used without due regard for value for money or where opportunities may exist to save money.

Misuse – includes unethical behaviour, wilful omission to perform one's duties, abuse of authority, theft, embezzlement, receipt of bribes, kickbacks or gifts of significant value, breach of federal, provincial or municipal legislation and significant waste of City assets;

2.78 The CCEHP is not intended to be a place for individuals to log complaints which represent potential violations of the Code of Conduct for Council. Individuals contacting the CCEHP with items related to the Code of Conduct will be redirected to the Integrity Commissioner's website.

2.89. The CCEHP process is authorized to coordinate and share high-level information with the City of Windsor's Integrity Commissioner to coordinate work and avoid duplication. Neither the Administrator nor the Auditor General will investigate in the domain of the Integrity Commissioner.

2.910. Allegations of a similar nature will not be investigated if an analysis has occurred within the past 12 months unless a complainant presents new information.

2.4011. The CCEHP Administrator is responsible for handling all inbound allegations and routing them according to the procedure outlined in section 7.0 for routing allegations.

2.1412 The production of a procedure for tracking and resolving allegations supports the Administrator's interest in handling all reported issues as professionally and quickly as possible.

2.123 The Administrator is committed to thoroughly and professionally documenting allegations and coordinating with the appropriate management level as to whether an investigation should be conducted. As the Administrator is acting as an agent of the City of Windsor

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with respect to the CCEHP, the Administrator will transcribe the inbound calls and notifications and share them with a designated contact (when required) within the City of Windsor (while preserving anonymity). As a result, the Administrator cannot be held liable for defamation, discrimination, libellous acts, or other such statements made by personnel submitting a complaint.

### 3.0 Anonymity

- 3.1 All inbound allegations will be treated as anonymous when reported/referenced outside the offices of the Administrator or the Office of the Auditor General.
- 3.2 To appropriately qualify, assess and follow up on allegations, personnel employed by the Administrator or under the supervision of the Auditor General may have access to the name and contact information of the individual(s) placing the allegation.
- 3.3 Only the original complainant may waive anonymity and must do so in writing or via an email directly to the Auditor General.
- 3.4 Complainants submitting a complaint need to be aware that sometimes:
  - a) preserving anonymity may limit an investigation's scope and depth.
  - b) the actual investigation of the allegation may provide management with insight into who the anonymous party is given prior interactions with management, by the complainant, on the same topic.
  - c) preserving anonymity may increase the overall investigation efforts so that the investigator can safeguard the complainant's anonymity.
- 3.5 Where an allegation is to be routed to management, the Administrator will presume anonymity is required unless explicitly waived by the Complainant within five business days of the Administrator requesting clarity on the Complaint's anonymity preference.

Such messages shall not receive a follow-up/response from management directly or through the Auditor General or the Administrator.

### 4.0 Confidentiality

- 4.1 All participants in an investigation are required to keep the details and results of the investigation confidential, except where disclosure is required or authorized by law.
- 4.2 The identity of an individual alleging fraud, waste or misuse, together with the identity of any individual alleged to have committed fraud, waste or misuse or involved in an investigation under this Policy, will be kept confidential and protected from disclosure as



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required by the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) and other applicable legislation.

- 4.3 It is understood that where an investigation results in disciplinary action, the disclosure of otherwise confidential information may be required in the context of associated legal proceedings.
- 4.4 The Auditor General, in consultation with the City Clerk as the delegated head for the purposes of MFIPPA may disclose particulars of the investigation if such disclosure would serve to further the investigation, and as appropriate.

## 5.0 Whistle-Blower Protection

- 5.1 The City will protect and support employees who report in good faith allegations of fraud, waste or misuse.
- 5.2 Retaliating against an employee who alleged fraud, waste, or misuse in good faith or who participated in an investigation conducted under this Protocol violates this Protocol.
- 5.3 Employees who believe they are being retaliated against should contact the WHOM.
- 5.4 The allegations of retaliation will be received and immediately investigated in the same manner as an allegation of fraud, waste or misuse under this Policy.
- 5.5 Where the investigation substantiates the allegations, the Chief Administrative Officer will be informed and the employee(s) involved will be subject to disciplinary action.
- 5.6 Employees who knowingly make false allegations will be subject to discipline up to and including dismissal.

## 6.0 Record Keeping and Templates

- 6.1. A representative of the CCEHP Administrator will be assigned responsibility for the initial documentation of allegations regularly.
- 6.2. A backup team member shall be assigned responsibility for administering the process in the absence of the designated representative.
- 6.3. The representative will check the voicemail, postal box and email inbox at least three days per week.
- 6.4. The representative will complete the "Notification Tracking Sheet", which contains all the necessary information needed to keep track of all incoming allegations and document all

available information, such as date, time, if a call was completed or aborted, a detailed description of the message or link to it, contact information, anonymity requests, and a classification section. See the template in Appendix B.

- 6.5. The Notification Tracking Sheet will be sequentially numbered to keep a logical order that facilitates the compilation of data for issues reporting, follow-ups and completeness. Each Notification for Consideration will be assigned a unique tracking number. The following combination of letters and numbers shall be used when assigning the tracking number to the Notification Tracking Sheet:

NTS – Stands for “Notification Tracking Sheet”

MMDDYY - 2 digits for the month the message came in, two digits for the date the message came in and two digits for the year the message came in.

### – Three numerical fields for the sequential number of complaint in a given month

For example, NTS—011223 - 002 will indicate that the Notification that has been tracked was #002 and was received on December 1, 2023.

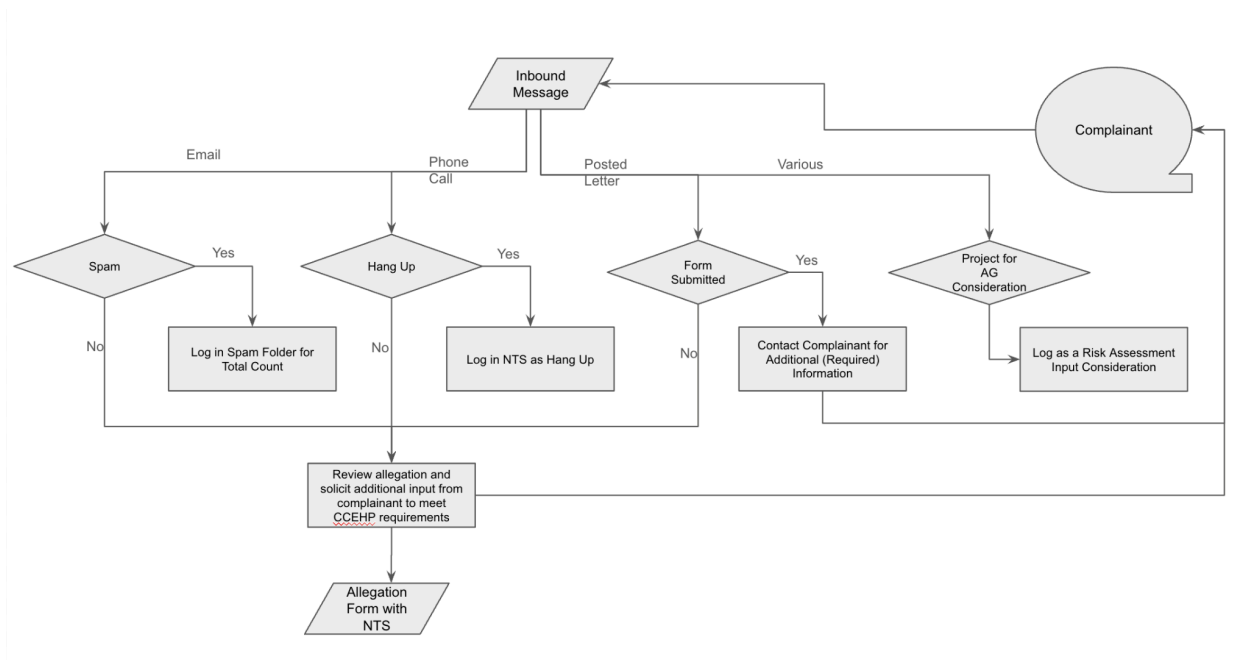
The date of receipt shall be:

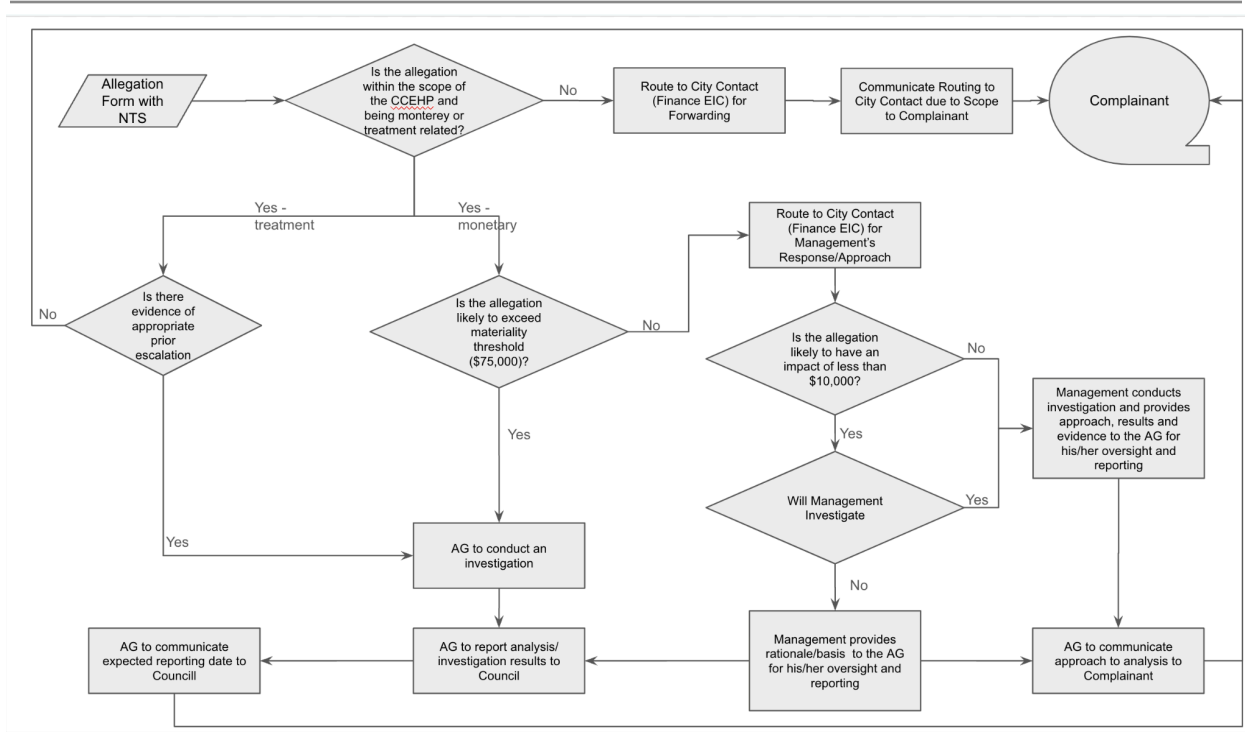
- (1) the date the email system shows the message was received for email messages,
- (2) the date the call/voicemail was recorded by the system for voice-submitted messages,
- (3) the date the letter was received/picked up from the post office box for physical mail and
- (4) the date the initial conversation occurred for 1:1 items.

- 6.6 Calls, messages and notifications shall be documented by the representative, filling out the “Notification Tracking Sheet”, regardless of the nature of the call (excluding spam emails) and messages (aborted calls, duration, type of issues reported). Spam emails shall not be transposed nor recorded as inbound messages. Such messages shall be filed in a mail folder, and the count per reporting period will be disclosed.
- 6.7 The individual “Notification Tracking Sheet” shall be dated by the representative and evidence of the Administrator review and escalation decision documentation.
- 6.8 The completed Notification Tracking Sheets shall be filed in the Administrators system under the Hotline/Notification Project by the representative, following the appropriate sequence described above.
- 6.9 The representative shall update the “Notification Master Log” using the individual “Notification Tracking Sheets”. This log will support the preparation of the Hotline/Notification periodic reports presented to Management and Council, as indicated in the reporting section of this procedure.

## 7.0 ESCALATION AND DECISION CRITERIA

The following decision tree will be leveraged to help determine the appropriate resolution path:





7.1. Each inbound communication shall be evaluated to determine if it is:

- A spam message, which will be logged in a holding file,
- A hangup, logged in an NTS
- A request for a project consideration,
- A complete submission, or
- An incomplete submission.

Spam messages are not logged as an NTS but filed in an email folder for count purposes.

Hangups will be logged as an NTS.

Project request considerations will be considered inputs into the annual risk assessment/plan development activities.

Complete submissions will undergo evaluation in the subsequent phases.

Incomplete submissions will have a request for additional information issued to the complainant.

7.2 The allegation shall be documented in an NTS with supporting material for Completed submissions.

7.3 An initial assessment of the nature of the call/message/notification using the decision tree to determine whether it's related to the purpose of the CCEHP or requires action by the

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Administrator or Auditor General, Management or routing to another party. Considerations for determining if the allegation is within the scope of the CCEHP:

7.3.1 Allegations related to the following are not within the scope of the CCEHP:

- the Mayor or City Councillors or their political office staff (please contact the Integrity Commissions for such concerns)
- The Windsor Essex County Health Unit
- Local Boards
- Municipally Controlled Corporations
- Grant Recipients
- The Committee of Adjustment
- The Essex Region Conservation Authority
- The Windsor Public Library
- The Windsor Police Services Board (WPSB)
- The Windsor Public Library Board (WPLB)

These allegations will be routed to the primary City Contact for routing to the appropriate parties by management.

7.3.2 Allegations not related solely to City personnel or contractors.

These allegations will be routed to the primary City Contact for routing to the appropriate parties by management.

7.3.3 Allegations not related to City Assets.

These allegations will be routed to the primary City Contact for routing to the appropriate parties by management. The Auditor General may require management reporting and evidentiary support in the same manner as those reviews under \$75,000 in impact.

7.3.4 Allegations not meeting the definition of fraud, waste or misuse under this protocol.

These allegations will be routed to the primary City Contact for routing to the appropriate parties by management. The Auditor General may require management reporting and evidentiary support in the same manner as those reviews under \$75,000 in impact.

7.3.5 Allegations not likely to have an impact of \$75,000 or more in savings, recovery or additional funds.

These allegations will be routed to the primary City Contact for routing to the appropriate parties by management. The Auditor General may require management reporting and evidentiary support in the same manner as those reviews under \$75,000 in impact.

7.3.6 Where an allegation appears likely to result in potential litigation or employee discipline, the City Solicitor or Human Resources will be engaged to ensure proper protocols are administered.

7.4. The representative shall complete the “Summary of Analysis and Recommendation” containing a detailed description of the need for escalation or investigation and recommended actions and attach it to the NTS.

7.5 For “Investigations where the Auditor General has requested a management investigation with report back,” management shall provide the Auditor General with a summary of actions conducted, results, and supporting evidence. It is recommended that management consult with the Auditor General on the overall planned approach prior to conducting the work.

7.6 The CCEHP is dynamic both with regard to inbound allegations and investigations. To guide the order of execution and deployment of resources the following risk rating protocol will be used to as a framework to aid in the prioritization of all active and pending investigations:

| Criteria                 | Examples  | Why It Matters                                 | Weight |
|--------------------------|---|--|--------|
| <b>Risk Exposure</b>     | Financial impact, safety, legal consequences                          | High risk = higher priority                    | 30%    |
| <b>Urgency</b>           | Time-sensitive (e.g., ongoing fraud, risk of destruction of evidence) | Some need immediate action                     | 25%    |
| <b>Scope</b>             | Individual vs. systemic issue   | Broader scope may need an earlier focus        | 10%    |
| <b>Reputation Impact</b> | Public or political sensitivity                                       | May influence escalation                       | 10%    |
| <b>Evidence Quality</b>  | Availability of leads, clarity of facts                               | Easier wins vs. complex unknowns               | 10%    |
| <b>Inbound Date</b>      | Date of allegation submission   | Time since the allegation was raised via CCEHP | 8%     |
| <b>Feasibility</b>       | Team skill/capacity match, ease of investigation                      | Quick hits vs. long hauls                      | 7%     |

Each allegation will be assigned a priority score based on the above criteria on a scale of 1-5, with the weighting then applied. The AG will have the ability to override the scores based on professional judgement, but this is expected to be on an exception basis.

7.7. Where a complainant submits an allegation leading to an investigation, a letter (see Appendix D) will be issued to the complainant for their formal signature/acknowledgment. This letter will request the complainant:

- Declare the truth and accuracy of their allegation - no false or misleading information provided.
- Summarize the risk of preserving anonymity in an investigation.
- Seek the complainant's express direction to preserve or waive anonymity.
- Authorize investigators to contact the complainant.
- Acknowledge that the investigation costs money and may be conducted by Administration and/or independent parties in accordance with the protocol.
- The risks associated with investigations of allegations older than 12-18 months.

High scores in Urgency and Reputation impact are required to supersede or impact investigations already in progress.

7.498. Where possible, calls made to the Concerned Citizen/Concerned Employee Hotline shall receive a written response as to the determination of the call as to whether it will be:

- Referred to City Contact for Appropriate Routing (outside scope or materiality)
- Referred to Management for Investigation with Reporting Back to the Auditor General
- To be investigated by the Auditor General
- Escalated to City Solicitor/Human Resources, given the Nature of the Allegation

## 8.0 REPORTING PROCESS

8.1. The representative shall input the NTS tracking data for individual allegations into the "Notification Master Log".

8.2. The Notification Master Log is a spreadsheet that captures in a single document a summary of all the calls and messages received through the hotline or other notification sources over a given period and the frequency of checking the notifications left via voicemail.

8.3. The Notification Master Log will be used in preparing quarterly and individual reports containing the historical data of messages and calls received.

8.4. The count of notifications in each status report will be reported on the Auditor General Performance Dashboard.

8.5. For Issues requiring investigation due to their nature and risks involved, the Administrator or Auditor General may require customized reports at any time and as soon as the issue is reported through the hotline.

## 9.0 TIMING

- 9.1. The concerned citizen/employee hotline channels will be checked daily at least three business days per week with a maximum of 1 business day lagging and a target of each business day.
- 9.2. Notifications received will be processed through the decision tree within 3-4 business days upon the latter of:
- receipt of all required information outlined in Section 2.5,
  - receipt of complainant specification of anonymity preference,
  - five business days of seeking a Complainant's specification of anonymity preference where there is no response.
- 9.3. Communications to management (forwarding of allegations), as appropriate, will occur within 2-3 business days after the final receipt of requested content from a complainant or the anonymity validation or waiver.

## 10.0 EFFORT ALLOCATION FOR CALL ANALYSIS

- 10.1 The Inbound Call Investigation budget is estimated to require ~~a set number of 200-250~~ hours per year to check the phone system, email, ~~online submissions~~, PO Box, direct conversations and follow up for the collection of initial allegation, to summarize the inbound allegation, ~~and~~ to work the call through the decision tree and route it appropriately ~~and to document each inbound communication and its associated assessment/routing~~. The ~~Annual Auditor General~~ Work Plan will reflect ~~the specific 225~~ hours in the ~~CCEHP~~ project and ~~as well as~~ hours in Unallocated.
- 10.2 The time and effort required to analyze inbound allegations is an unknown factor in a given year. As such, as allegations come in, the Administrator may allocate available time from the Unallocated projects to conduct the required initial follow-up and analysis. To commence each year, ~~a specific number of 50~~ hours will be allocated to the CCEHP process for inbound allegation follow-up and clarification (not investigation). The ~~Annual Auditor General~~ Work Plan will reflect ~~these 50~~ hours in Unallocated.
- 10.3 Individual allegations requiring investigation will require individual effort estimates.
- 10.4 The Auditor General shall have the authority to stop, delay or postpone active/ongoing or planned work to redirect efforts to conduct projects and analysis when a complaint/allegation is lodged which may have merit. Any such changes will be reported to



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City Council for approval of the Plan change or for allocation of additional resources to avoid such changes to the plan.

- 10.5 The power to make such plan amendments is granted to the Auditor General based on their judgement until a plan of action and additional cost implications can be presented to and approved by Council, generally at the next planned status reporting point.

## 11.0 COMMUNICATION AND AWARENESS

- 11.1 Communication and awareness of the hotline process among citizens and employees directly impacts the effectiveness of the hotline and notification process. Management is responsible for ensuring that citizens and employees understand the hotline's purpose and use it appropriately to report on potential fraud, misuse, and/or abuse of city assets.

- 11.2 Management shall make the hotline contact information available to the public.

- 11.3 The information available on the public website shall include, but is not limited to, the following:

- The purpose of the hotline (to enable citizens and City of Windsor employees to provide information on suspected frauds, waste or abuse of City assets in a private, confidential and anonymous manner at the caller's discretion.
- A statement that describes who should use the Concerned Citizen/Concerned Employee Hotline
- A statement that describes types of complaints which would not be appropriate for the hotline (customer service, complaints of a general nature, out-of-scope domains, etc.)
- Information on how to submit a complaint (phone, email, fax, mailing address)
  - Phone: (519) 980-6656 (Voicemail may be left)
  - Email: [windsorcomplaint@risksavvy.ca](mailto:windsorcomplaint@risksavvy.ca)
  - Posted Mail: Risk Savvy Ltd,  
P. O. Box 790  
St. Marys Stn Main, Ontario N4X 1B5
- Template (see Appendix A) of required information for submitting an alleged complaint.
- A brief description of the complaint management process (see section 12).
- A reference to the City's "Concerned Employee Policy" (2003) updated by Management to reflect current practices.
- A notice for potential implications of reporting false allegations which contain defamatory or libellous statements

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- A reference to the Accountability and Transparency section of the public website
    - The Office of the Integrity Commissioner, including a reference to the complaint process for potential violations of the Code of Conduct for Council Members
  - Definition of the terms Fraud, Waste, Misuse and City Assets

## 12.0 MATERIALITY GUIDELINES

12.1 The Auditor General shall only conduct analysis or investigation of any hotline call (excluding fraud) which has the potential impact, due to waste or abuse, of greater than \$75,000.

12.2 Management will be informed where a hotline call (excluding fraud) has a potential impact of less than \$75,000. Where an allegation may result in \$10,000 or less of an impact, management may draft the rationale and implication for not conducting an investigation for review, submission and reporting to City Council by the Auditor General. For allegations with a likely impact of \$10,000 to \$75,000, management will conduct an investigation, draft the overall approach, document findings and summarise results for submission to, and oversight by, the Auditor General. The Auditor General may request additional investigation before reporting the overall results to City Council.

## Appendix A - City of Windsor - Concerned Citizen/Employee Complaint Form

### City of Windsor - Concerned Citizen/Employee Complaint Form

The CCEHP is for use by either residents of the community or by City of Windsor employees. It is intended for the reporting of allegations of fraud, waste or misuse of City assets. All submission are anonymous with the details being provided to the CCEHP Administrator and personnel under the supervision of the Auditor General.

This form is not intended for conducting everyday customer service discussions. It is also not intended for complaints of a general nature by employees about City Council or management, including complaints that are normally and properly handled by personnel, payroll or health and safety.

Complaints may be filed regarding the City of Windsor:

- employees
- management
- contractors

The CCEHP process does not apply to:

- the Mayor or City Councillors or their political office staff, (please contact the Integrity Commissions for such concerns)
- The Windsor Essex County Health Unit
- Local Boards
- Municipally Controlled Corporations
- Grant Recipients
- The Committee of Adjustment
- The Essex Region Conservation Authority
- The Windsor Public Library
- The Windsor Police Services Board (WPSB)
- The Windsor Public Library Board (WPLB)

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\* Indicates required question

#### Contact Information

We will generally contact you and submit formal messages via email, but we may need to discuss some of your concerns or information directly with you.

1. First & Last Name \*

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2. Email Address \*

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3. Preferred Contact Number \*

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4. I hereby attest to the fact that I am a citizen or represent a taxpayer of the City of Windsor \*

*Check all that apply.*

- ☐ I am a citizen of the City of Windsor
- ☐ I represent a citizen or taxpayer of the City of Windsor
- ☐ I am an employee or contractor of the City of Windsor
- ☐ Other: \_\_\_\_\_

### **City Area and Participants**

5. **Service Area or Function \***

 Dropdown

*Mark only one oval.*

- ☐ Parks & Facilities
- ☐ Library Services
- ☐ Recreation & Culture
- ☐ Fire & Rescue Services
- ☐ Asset Planning
- ☐ Financial Planning
- ☐ Financial Accounting
- ☐ Taxation & Financial Projects
- ☐ Engineering
- ☐ Public Works Operations
- ☐ Pollution Control
- ☐ Employment & Social Services
- ☐ Housing & Children's Services
- ☐ Huron Lodge
- ☐ Planning & Development Services
- ☐ Economic Development & Client Change
- ☐ Building Services
- ☐ Transit Windsor
- ☐ Legal & Real Estate Services
- ☐ Corporate Security
- ☐ Council Services
- ☐ Communications & Customer Services
- ☐ Purchasing, Risk Management & Provincial Offences
- ☐ Human Resources & Employee Relations
- ☐ Equity, Diversity, Inclusion, Accessibility & Indigenous Affairs
- ☐ Office of the Chief Administrative Officer
- ☐ Unknown/Not Certain

6. **Who Is Involved?**

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Names of Individuals Involved (if known)

Roles/Positions (e.g., municipal employees, elected officials, contractors)

Relationship to the Complainant (e.g., supervisor, service provider)

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**Allegation Considerations**

7. Please indicate which of the following criteria apply to your complaint: \*

*Mark only one oval.*

- ☐ Fraud, waste or misuse related to City Assets      *Skip to question 8*
- ☐ Mistreatment      *Skip to question 10*
- ☐ Deception      *Skip to question 10*
- ☐ Lack of Fairness      *Skip to question 10*

**Fraud, Waste or Misuse of City Assets**

8. Please explain which City Assets are associated with your complaint. \*

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9. Given your knowledge of this allegation and the evidence you have compiled, what \*  
do you believe the economic impact to the City of Windsor to be for this complaint?

*Mark only one oval.*

- ☐ Less than \$10,000  
☐ More than \$10,000 but less than \$75,000  
☐ More than \$75,000

*Skip to question 16*

**Mistreatment, Deception or Lack of Fairness**

10. I have reported my concerns to the following areas of Administration: \*

*Check all that apply.*

- ☐ The area supervisor or manager (required before escalation to the Hotline)  
☐ The Commissioner for the Area or Human Resources (required before escalation to the Hotline)  
☐ Other: \_\_\_\_\_

11. Please provide the name and title of the area supervisor or manager you \*  
escalated to, as well as the date of escalation

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12. Please provide a summary of what your request to them was and the outcome was \*

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13. Please provide the name and title of the Commissioner or Human Resources Contact you escalated to, as well as the date of escalation \*

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14. Please provide a summary of what your request to them was and the outcome was \*

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15. Please describe why the outcome(s) were not to your satisfaction \*

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### Complaint Details - Allegation Information

- **What Happened?**
  - Provide a clear and factual description of the issue or wrongdoing.
  - Avoid vague statements—be as specific as possible.
- **Where Did It Happen?**
  - Mention the exact location where the incident occurred (e.g., city hall, municipal office, public service department).
- **When Did It Happen?**
  - Date(s) and Time(s) of the event(s).
  - If the issue is ongoing, indicate when it started and if it is still happening.

16. Please record information about what happened, where it happened and when it happened. \*

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17. Summarize what steps you have taken to try and resolve your complaint, including the consideration you have submitted and what response you received. Who have you already dealt with in the city concerning your complaint? \*

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- 
18. **Were there any specific Relevant Policies, Laws, or Regulations Violated** \*
- (please indicate which ones you are aware of)

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19. **Harm or Impact** (Please explain how the issue has affected you, others, the municipality, etc.) \*

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20. **Desired Outcome or Resolution** \*

*Mark only one oval.*

- ☐ Investigation and disciplinary action
- ☐ Policy change or reform
- ☐ Refund or compensation
- ☐ Apology or corrective action
- ☐ Other: \_\_\_\_\_

**Evidentiary Support**

21. **Indicate Which Supporting Evidence You Have Available \***

*Check all that apply.*

- ☐ Documents, reports, letters
- ☐ Emails
- ☐ Photos, Videos, or Recordings (if legally obtained)
- ☐ Witness Information (names and contact details of people who can confirm the allegation)
- ☐ Other: \_\_\_\_\_

22. **File Uploads**

\*

Do you have digital files which you can share? If so, we will send you a link to a Google Drive to upload them to. You will need to log into Google first.

*(The Google Drive is more secure option.)*

*Mark only one oval.*

- ☐ I have files to upload - please send me a link to Google Drive (gmail account required)
- ☐ I have files to upload - I will send them to the email account [windsorcomplaint@risksavvy.ca](mailto:windsorcomplaint@risksavvy.ca)
- ☐ I do not have files to upload

**Submission Assertion**

23. **I have escalated this concern to other regulators/authorities \***

*Mark only one oval.*

- ☐ Yes - I requested guidance or information
- ☐ Yes - I have initiated an investigation/review
- ☐ Yes - I have initiated legal action
- ☐ No

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24. Name of regulator/authority (not required for legal action) \*

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25. I attest to the following statements \*

*Check all that apply.*

- ☐ The information I have provided is true and accurate to the best of my knowledge.
- ☐ I have not provided any false or misleading information
- ☐ I believe that this allegation warrants the use of City funds to conduct an investigation

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## Appendix B - Notification of Tracking (NTS) Template

| NTS Number  | NTS - MMDDYY - ### |
|---|--------------------|
| Date Received   |                    |
| Time Received   |                    |
| Method of Receipt   |                    |
| Complainant Name (Firs & Last):   |                    |
| Contact Email:  |                    |
| Contact Number:   |                    |
| Anonymnity  |                    |
| Link to Complaint Form:   |                    |
| or  |                    |
| Complaint Summary:  |                    |
| Step  |                    |
| 1 Was this a Hang Up  |                    |
| Is the complaint form complete? Do we have all the required mimum information to assess a complaint?                          |                    |
| 2 Does the complaint relate to any of the following entities:   |                    |
| - the Mayor or City Councillors or their political office staff, (please contact the Integrity Commissions for such concerns) |                    |
| - The Windsor Essex County Health Unit  |                    |
| - Local Boards  |                    |
| - Municipally Controlled Corporations   |                    |
| - Grant Recipients  |                    |
| - The Committee of Adjustment   |                    |
| - The Essex Region Conservation Authority   |                    |
| - The Windsor Public Library  |                    |
| - The Windsor Police Services Board (WPSB)  |                    |
| 3 - The Windsor Public Library Board (WPLB)   |                    |
| Does the allegation relate to City personnel, management or contractors?  |                    |
| 4 Does the allegation relate to City Assets?  |                    |
| 5 Does the allegation relate to fraud, waste or misuse?   |                    |
| 6 What it the expected dollar value impact of the allegation?   | \$                 |
| What is the basis for this impact value?  |                    |
| Categorization of Project Per Monetary Estimate   |                    |
| Is the complaint a workplace related allegation which requires internal escaltion first?                                      |                    |
| 7 Summary of parties previously escalated to and outcomes.  |                    |
| Categorization of Project if Workplace Issue  |                    |
| Is the complaint a treatment related allegation which requires City escaltion first?  |                    |
| 8 Summary of parties previously escalated to and outcomes.  |                    |
| Overall Analysis  |                    |
| Categorization  |                    |
| Responsible Party   |                    |
| Where Investigation is Assigned - Key Elements for Consideration:   |                    |

## Appendix C - Framework & Guidelines for Investigators Handling Citizen Complaints

### 1. Principles of Administrative Fairness & Procedural Justice

- Investigators must ensure that:
  - The complainant has a chance to be heard (right to be heard).
  - The investigator remains neutral and unbiased.
  - Decisions are based on evidence, not speculation or bias.

### 2. Applicable Legislation & Municipal Policies

- Investigations must comply with:
  - Municipal Acts (e.g., Ontario's Municipal Act, 2001)
  - Public Sector Ethics Codes
  - Freedom of Information and Protection of Privacy Acts (FOIPPA)

### 3. Investigation Guidelines by Public Oversight Bodies

- Many municipal investigators follow procedures outlined by:
  - Provincial or State Ombudsman Offices (e.g., Ontario Ombudsman's "Principles of Good Administration")
  - Municipal Integrity Commissioners (if investigating ethics violations)
  - Auditor General Standards (if financial misconduct is involved)
  - Police Oversight Agencies (for law enforcement complaints)

### 4. Public Sector Investigative Standards

- The investigations and this framework are based on the key elements of the following standards and frameworks with consideration for small teams (i.e. limitations on the number of investigators assigned to a case - being 1):
  - Public Sector Investigations Best Practices Guide (e.g., Canada's Public Service Commission)
  - Complaint Mechanisms Reference Guide by Transparency International

### 5. Evidence-Based Decision Making

- Investigators must:
  - Gather and assess objective and relevant evidence.
  - Conduct interviews with all relevant parties.
  - Maintain detailed records of findings.
  - Ensure confidentiality and protect whistleblowers where necessary.

### 6. Reporting & Documentation Requirements

- Investigators must:
  - Produce a fact-based report with findings and recommendations.
  - Follow municipal reporting procedures.
  - Submit findings to the appropriate oversight body (the Auditor General and City Council).

## **Guide for providing complaint information:**

### **1. Details of the Incident**

- **What Happened?**
  - Provide a clear and factual description of the issue or wrongdoing.
  - Avoid vague statements—be as specific as possible.
- **Where Did It Happen?**
  - Mention the exact location where the incident occurred (e.g., city hall, municipal office, public service department).
- **When Did It Happen?**
  - Date(s) and Time(s) of the event(s).
  - If the issue is ongoing, indicate when it started and if it is still happening.

### **2. Who Is Involved?**

- Names of Individuals Involved (if known)
- Roles/Positions (e.g., municipal employees, elected officials, contractors)
- Relationship to the Complainant (e.g., supervisor, service provider)

### **3. Supporting Evidence (If Available)**

- Documents, Reports, or Emails (e.g., contracts, invoices, meeting minutes)
- Photos, Videos, or Recordings (if legally obtained)
- Witness Information (names and contact details of people who can confirm the allegation)

### **4. Relevant Policies, Laws, or Regulations Violated**

- If known, mention any laws, municipal codes, ethics rules, or policies that were breached.
- Example: "This conduct violates the Municipal Conflict of Interest Act and the City's Code of Conduct for Public Officials."

### **5. Harm or Impact**

- Explain how the issue has affected you, others, or the municipality.
- Examples:
  - "This action resulted in financial loss to taxpayers."
  - "It created an unfair hiring process."
  - "The conduct undermines public trust."

### **6. Desired Outcome or Resolution**

- Specify what action you are seeking:
  - Investigation and disciplinary action

- Policy change or reform
- Refund or compensation
- Apology or corrective action



## Appendix D - Formal Letter Format for Investigation Initiation - Declaration & Consent Statement

[Date]

**Investigating Officer**, Concerned Citizen and Employee Hotline, Office of the Auditor General  
The Corporation of the City of Windsor  
% Risk Savvy Ltd.  
P. O. Box 790  
St. Mary's Stn Main, Ontario N4X 1B5

**Subject:** Declaration & Consent for Complaint Submission

Regarding Allegation: [insert NTS number and investigation name]

**Dear Investigating Officer,**

I am submitting this letter as part of my formal complaint to affirm the accuracy of the information provided and to authorize the necessary investigative steps.

I declare that the information in this complaint is true and accurate to the best of my knowledge. I understand that providing false or misleading information may result in the dismissal of my complaint or legal consequences.

I consent to the disclosure of this information to relevant investigative bodies to conduct an investigation. Complainants need to be aware that by conducting an investigation, there are risks associated with anonymity:

- a) Preserving anonymity may limit an investigation's scope and depth.
- b) The actual investigation of an allegation may provide Administration with insight into who the anonymous party is given prior interactions with Administration, by the complainant, on the same topic.
- c) Preserving anonymity may increase the overall investigation efforts so that the investigator can safeguard the complainant's anonymity.

Please select the option you prefer:

- ☐ I request that the investigation do its best to preserve my anonymity and understand the limitations this may put on the investigation, and that Administration may be able to determine my identity as a result of the investigation occurring.
- ☐ I consent to waiving my anonymity for the purposes of this investigation.

I authorize the investigative authority to contact me for further details if necessary and to share relevant information with other agencies involved in the investigation, subject to applicable privacy laws.

I understand that initiating an investigation may require the allocation of public funds, including resources for personnel, legal analysis, and administrative support. I trust that the responsible authorities will exercise due diligence in assessing the merits of the complaint and ensure that budgetary allocations are made efficiently and responsibly. Furthermore, I acknowledge that investigations with a projected net impact of under \$200,000 may be conducted by management under the oversight of the Auditor General, ensuring both financial prudence and independent oversight.

I also recognize the importance of timely complaint submissions to facilitate the effective collection of evidence and resolution of issues. Specifically:

- **Allegations regarding events that occurred more than seven years ago** may be difficult to investigate due to the availability of evidence.
- **Allegations concerning incidents that took place more than 12 to 18 months ago** may require additional time and effort due to challenges in gathering supporting documentation and witness testimony.

Please confirm receipt of this declaration and inform me if any additional information is required. I appreciate your time and attention in reviewing this matter.

Sincerely,

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Signature

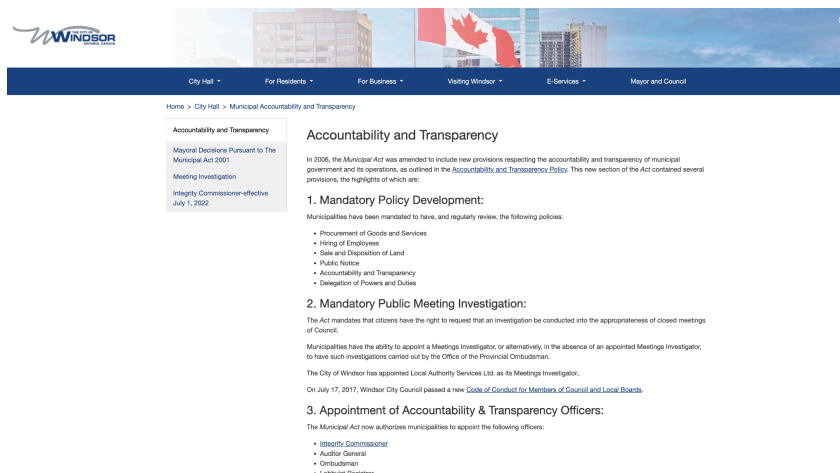
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Name

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Date

Further, the following is an extract of the City's webpage regarding Accountability and Transparency (image to right). To implement the updated Concerned Citizen and Employee Protocol and process this webpage should be enhanced to:



1. Include weblinks for each of the bullet listed under section #3 (Integrity Commissioner, Auditor General, Ombudsman and Lobbyist Registrar)
2. Include summary notes as to the appointment of each role/office.
3. Add the following information (in blue) as section 3.1 to enhance transparency and guidance within the process:

### 3.1 Understanding Your Municipal Accountability Offices

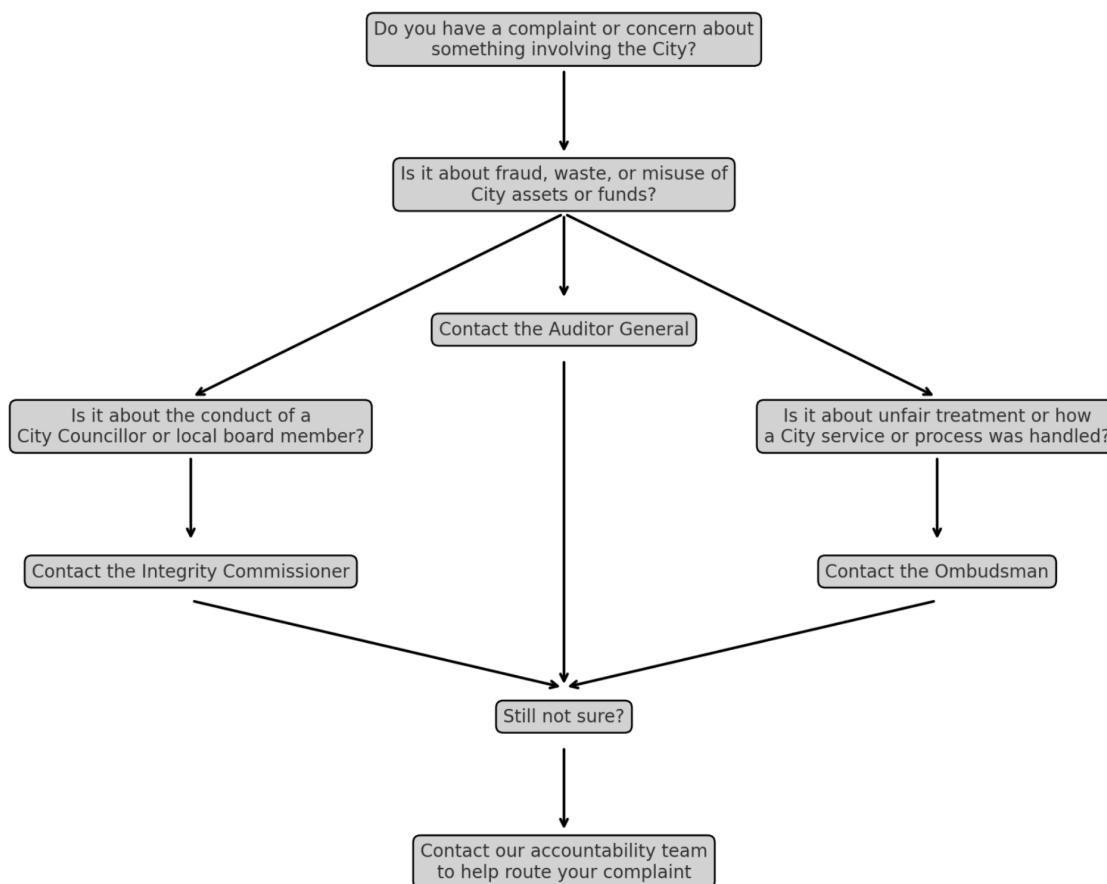
At the City of Windsor, we are committed to transparency, accountability, and fair treatment for all residents, businesses, and employees. Three independent offices support this mission by investigating complaints and concerns:

| Topic                            | The Integrity Commissioner  | The Auditor General  | The Municipal Ombudsman                        |
|----------------------------------|---|--|--|
| <b>Jurisdictional Boundaries</b> | Council and board member behaviour  | Financial and operational misconduct   | Administrative process and fairness            |
| <b>Legislative Authority</b>     | Municipal Act, 2001, Sections 223.3 to 223.8<br><br>Council-appointed, reports to Council | Municipal Act, 2001, Section 223.19<br><br>Auditor General Charter<br><br>Independence from administration and | Municipal Act, 2001, Sections 223.13 to 223.24 |

|                              |   |  |  |
|------------------------------|---|--|--|
|                              |   | Council; reports directly to Council   |  |
| <b>Mandate</b>               | <p>Provides advice and education on Council/board member conduct</p> <p>Investigates alleged violations of the Code of Conduct</p> <p>Administers Municipal Conflict of Interest Act (MCIA) matters</p> | <p>Provides objective and independent assessment, advice and assurance with respect to governance, risk management, accountability and performance</p> <p>Administers the Concerned Citizen and Employee Hotline regarding fraud, waste or misuse as it relates to City Assets.</p>                                  | <p>Investigates complaints about administrative unfairness, delay, or non-responsiveness</p> <p>Focuses on services, process, and procedural fairness</p> <p>Mandated to act independently and impartially</p> |
| <b>D. Complaint Coverage</b> | <p>Focused on conduct of:</p> <ul style="list-style-type: none"> <li>• Elected officials</li> <li>• Members of local boards</li> </ul>  | <p>Investigates systemic issues and individual misconduct relating to:</p> <ul style="list-style-type: none"> <li>• Misuse of city assets</li> <li>• Financial impropriety,</li> <li>• Unethical conduct involving city assets or funds</li> </ul> <p>Handles complaints from employees, vendors, and the public</p> | <p>Applies to staff and administration, not elected officials</p>  |
| <b>Limitations</b>           | Cannot investigate city staff or  | Does not address personal treatment or interpersonal   | Cannot override political decisions  |

|                      |  |   |   |
|----------------------|--|---|---|
|                      | <p>administrative decisions</p> <p>Does not cover systemic service delivery issues</p> <p>No authority over contractor or third-party behavior</p> | <p>complaints unless tied to misuse of assets</p> <p>Cannot mediate fairness or personnel disputes unless systemic misuse is involved</p> | <p>Cannot enforce disciplinary action</p> <p>Recommends, but does not compel, corrective action</p> |
| <b>Contact Sites</b> | <a href="#">Integrity Commissioner</a>   | <a href="#">Auditor General</a>   | <a href="#">Ombudsman</a>   |

Here is a simplified decision tree to help you determine to whom to submit your complaint:



**All complaints are treated with confidentiality and respect.**

We believe in upholding the highest standards of integrity in how your City is run

## Appendix D - Concerned Citizen/Employee Hotline And Notification Protocol (Clean)

The following appendix is a clean version of the revised concerned citizen/employee hotline and notification process..

### VERSION HISTORY

|                  |  |
|------------------|--|
| June 17, 2013    | Approved by City Council Resolution  |
| January 13, 2014 | Proposed modifications to include section 7 – Effort Allocation for Call Analysis  |
| March 31, 2014   | Modifications for inclusion of Code of Conduct considerations, complaint submission requirements, changes for modes of communications and materiality  |
| July 22, 2024    | <ul style="list-style-type: none"><li>• Added precision to elements such as timing, determination of protocol applicability, and timelines and adjusted wording on role consolidation.</li><li>• Reduced layers of review no longer necessary.</li><li>• Aligned scope boundaries to other public municipal complaint procedures.</li><li>• Added consideration for workplace issues and citizen treatment escalation.</li><li>• Added sections on Anonymity, Confidentiality, Whistle Blower Protection (impacts section numbering)</li><li>• Updated escalation procedures and effort allocations for actual impacts noted in last 2-3 years</li><li>• Reduced materiality considerations</li><li>• Revised complaint submission forms to enable digital capture option, support the collection of required minimum information and provide alternate collection methods</li></ul> |

|                |   |
|----------------|---|
| April 28, 2025 | <ul style="list-style-type: none"><li>• Added section 2.4 regarding AG role and guiding frameworks (and Appendix C)</li><li>• Added section 7.6 regarding risk rating investigations</li><li>• 10.1 and 10.2 were updated to remove specific hours from the protocol and have them presented annually (as they have been) in the Annual Auditor General Workplan</li><li>• Appendix A was updated to allow for focused information collection between fraud, waste, and misuse of City Assets versus mistreatment type for complaints, to collect the required information, and to align with Appendix C.</li></ul> |
|----------------|---|

The Concerned Citizen/Employee Hotline Protocol (“CCEHP”) is effective from the date of Council approval and applies to all ongoing and future allegations, complaints and investigations.

## 1.0 Overview

- 1.1 This protocol is intended to guide the CCEHP Administrator in dealing with inbound notifications from the CCEHP and other sources.
- 1.2 This protocol establishes a procedure to track and take necessary actions regarding all calls/voice mails, emails, posted letters and 1:1 conversations whereby an allegation is submitted to the CCEHP for consideration.
- 1.3 This protocol will also guide the management and handling of inbound communications about suspected fraud, waste, or abuse of City assets from other sources.
- 1.4 Upon receipt of notification from the investigating parties, City personnel will comply with corporate expectations for investigation and resolution. As part of that process, management will consider the requirements of the various collective agreements.
- 1.5 In the remainder of this protocol, calls to the hotline and communications received from other sources will be referenced as allegations.
- 1.6 Please refer to the definitions in section 2.6 of this protocol for further information on what constitutes fraud, waste, misuse, and city assets.

## 2.0 PURPOSE/SCOPE

- 2.1 The CCEHP is for use by either community residents or City of Windsor employees. It is not intended to conduct everyday customer service discussions. It is also not designed for complaints of a general nature by employees about City Council or management, including complaints that are usually and properly handled by personnel, payroll, or health and safety.
- 2.2 Complaints may be filed regarding the City of Windsor:
  - employees,
  - Management, and
  - contractors.
- 2.3 The CCEHP process does not apply to:
  - the Mayor or City Councillors or their political office staff (please contact the Integrity Commissions for such concerns)
  - The Windsor Essex County Health Unit
  - The Essex Region Conservation Authority



- 
- Local Boards (with approved Opt-In Letters)
  - Municipally Controlled Corporations
  - Grant Recipients
  - The Committee of Adjustment
  - The Windsor Public Library
  - The Windsor Police Services Board (WPSB)
  - The Windsor Public Library Board (WPLB)

The Auditor General directs allegations related to elected officials or their staff to the Integrity Commissioner for appropriate action.

The Auditor General will direct allegations related to the Boards, Corporations, Committees, and Organizations to the Finance Executive Initiatives Coordinator for forwarding to the appropriate organizational contacts.

Questions regarding the local boards contacts for submitting such allegations should be directed to the City Clerk.

- 2.4 The Auditor General will oversee the CCEHP and supporting processes as a function of the Office of the Auditor General, following the approved Concerned Citizen and Employee Hotline Protocol. This is in addition to the Auditor General's responsibilities under the Municipal Act.

Where an investigation is determined as the appropriate outcome, the work will be conducted using good complaint investigation practices; as such, the investigation activities are not required to comply with the Institute of Internal Auditors Professional Practices Framework. Instead, the framework outlined in Appendix C will be used as a general guide in conducting investigations along with professional judgment. This appendix is based on:

- Uniform Principles and Guidelines for Investigations
- Complaint Mechanisms Reference Guide by Transparency International
- Investigation Guidelines by the United Nations Development Programme (UNDP)

## 2.5 Workplace and Citizen Service Issues

### 2.5.1 Where do Workplace Issues fit in?

Workplace issues include concerns about staff members raised but not addressed by a staff member's immediate supervisor or manager. Complaints about staff members that have not been resolved to the complainant's satisfaction should be forwarded to senior management or Human Resources personnel for resolution or included in a formal grievance.

City staff should not use the hotline to address workplace issues unless they continue to be unresolved after being brought to the attention of their immediate supervisors or raised through one of the internal reporting mechanisms for health and safety concerns or the prevention of workplace violence, harassment, and discrimination.

Complaints submitted through this Hotline or directly to the Auditor General will require support demonstrating prior escalation to area senior management or Human Resources and the functional City Leader.

#### 2.5.2 As a Citizen or Taxpayer, How Do I Raise a Concern With How I Was Treated?

Service issues include concerns about the treatment citizens and taxpayers receive when engaging with or being serviced by the City. Complaints about interactions with City personnel should be raised to management or via 311. Complaints that have yet to be resolved to the complainant's satisfaction should be forwarded to senior management or Human Resources personnel (and the Functional Leader) for resolution.

Citizens and taxpayers should only use the hotline to address unresolved service issues after being brought to the attention of the area supervisor and Executive Management or Human Resources.

Complaints submitted through this Hotline or directly to the Auditor General will require support demonstrating prior escalation to area Executive Management or Human Resources and the functional City Leader.

- 2.6. Allegations logged with the CCEHP or Auditor General must have the individual submitting the allegation provide the following basic information to have the allegation considered. Allegations which do not provide the required information after two follow-ups within 30 days will be deemed closed.

The required information is:

- a) First and last name
- b) Two contact methods - preferably email and phone number, but address is also acceptable
- c) Attestation that the complainant is a citizen or taxpayer of the City of Windsor or a representative thereof
- d) Summary of the nature of the allegation
- e) Listing of all evidence and willingness to provide it

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f) Functional area the allegation relates to

g) Summary and supporting evidence of prior attempts at escalation/resolution where the allegation relates to workplace or citizen treatment concerns.

The City of Windsor—Concerned Citizen/Employee Complaint Form will be used to capture this information online. The form may be completed online, downloaded for completion, and submitted digitally or via postal services. Where alternative completion methods are required to support the complainant, the Auditor General will contact the complainant to find submission solutions.

2.7. The CCEHP is for use by citizens and employees lodging complaints related to fraud, waste or misuse use of City assets. These elements are defined as:

City Assets – Includes all tangible and intangible property of the City, including but not limited to equipment, financial assets, land, vehicles, material, computers, electronic mail, internet services, information and work time;

Fraud – For this protocol, fraud includes, but is not limited to, the following acts characterized by deceit, concealment or wilful blindness to policy, procedure or appropriate practice:

- a) Forgery, alteration or fraudulent creation of documents including, but not limited to, cheques, drafts, promissory notes, securities, timesheets, purchase orders, other blank documents of value such as invoices, billing slips, permits, licenses, etc;
- b) Any misappropriation, embezzlement, unauthorized use or misuse of cash, funds, securities, supplies, furniture, equipment, materials, records or any other asset;
- c) Any irregularity in the handling or reporting of money transactions;
- d) Any intentional, false representation or concealment of a material fact for the purpose of improperly obtaining or impairing a City of Windsor asset;
- e) Demanding, requesting or accepting anything having value from vendors, consultants, contractors, or anyone doing business with the City as a condition of their doing business with the City or in order for them to receive preferential treatment from the City;
- f) Offering or providing anything having value to clients, vendors, consultants, contractors, or anyone doing business with the City as a means of obtaining preferential treatment or benefit for the employee, any other person or the City;
- g) Any intentional violations of the Corporate Conflict of Interest Policy;

- 
- h) Any computer-related activity involving the alteration, destruction, forgery or fraudulent manipulation of data and any misappropriation of City-owned software;
  - i) Any claim for reimbursement of expenses that were not incurred as a recognizable business expense for the City's benefit or that are in violation of the Corporate Business and Travel Expense policy;
  - j) Authorization or receipt of payments for goods not received or services not performed other than normal prepaid expenditures;
  - k) Authorization or receipt of payment for hours not worked;
  - l) Any apparent violation of Federal, Provincial or local laws related to dishonest activities or fraud.

Waste refers to the inefficient use of municipal resources and any operation, process, or activity in which municipal resources may be used without due regard for value for money or where opportunities may exist to save money.

Misuse – includes unethical behaviour, wilful omission to perform one's duties, abuse of authority, theft, embezzlement, receipt of bribes, kickbacks or gifts of significant value, breach of federal, provincial or municipal legislation and significant waste of City assets;

- 2.8 The CCEHP is not intended to be a place for individuals to log complaints which represent potential violations of the Code of Conduct for Council. Individuals contacting the CCEHP with items related to the Code of Conduct will be redirected to the Integrity Commissioner's website.
- 2.9 The CCEHP process is authorized to coordinate and share high-level information with the City of Windsor's Integrity Commissioner to coordinate work and avoid duplication. Neither the Administrator nor the Auditor General will investigate in the domain of the Integrity Commissioner.
- 2.10 Allegations of a similar nature will not be investigated if an analysis has occurred within the past 12 months unless a complainant presents new information.
- 2.11 The CCEHP Administrator is responsible for handling all inbound allegations and routing them according to the procedure outlined in section 7.0 for routing allegations.
- 2.12 The production of a procedure for tracking and resolving allegations supports the Administrator's interest in handling all reported issues as professionally and quickly as possible.
- 2.13 The Administrator is committed to thoroughly and professionally documenting allegations and coordinating with the appropriate management level as to whether an investigation should be conducted. As the Administrator is acting as an agent of the City of Windsor

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with respect to the CCEHP, the Administrator will transcribe the inbound calls and notifications and share them with a designated contact (when required) within the City of Windsor (while preserving anonymity). As a result, the Administrator cannot be held liable for defamation, discrimination, libellous acts, or other such statements made by personnel submitting a complaint.

### 3.0 Anonymity

- 3.1 All inbound allegations will be treated as anonymous when reported/referenced outside the offices of the Administrator or the Office of the Auditor General.
- 3.2 To appropriately qualify, assess and follow up on allegations, personnel employed by the Administrator or under the supervision of the Auditor General may have access to the name and contact information of the individual(s) placing the allegation.
- 3.3 Only the original complainant may waive anonymity and must do so in writing or via an email directly to the Auditor General.
- 3.4 Complainants submitting a complaint need to be aware that sometimes:
  - a) preserving anonymity may limit an investigation's scope and depth.
  - b) the actual investigation of the allegation may provide management with insight into who the anonymous party is given prior interactions with management, by the complainant, on the same topic.
  - c) preserving anonymity may increase the overall investigation efforts so that the investigator can safeguard the complainant's anonymity.
- 3.5 Where an allegation is to be routed to management, the Administrator will presume anonymity is required unless explicitly waived by the Complainant within five business days of the Administrator requesting clarity on the Complaint's anonymity preference.

Such messages shall not receive a follow-up/response from management directly or through the Auditor General or the Administrator.

### 4.0 Confidentiality

- 4.1 All participants in an investigation are required to keep the details and results of the investigation confidential, except where disclosure is required or authorized by law.
- 4.2 The identity of an individual alleging fraud, waste or misuse, together with the identity of any individual alleged to have committed fraud, waste or misuse or involved in an investigation under this Policy, will be kept confidential and protected from disclosure as

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required by the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) and other applicable legislation.

- 4.3 It is understood that where an investigation results in disciplinary action, the disclosure of otherwise confidential information may be required in the context of associated legal proceedings.
- 4.4 The Auditor General, in consultation with the City Clerk as the delegated head for the purposes of MFIPPA may disclose particulars of the investigation if such disclosure would serve to further the investigation, and as appropriate.

## 5.0 Whistle-Blower Protection

- 5.1 The City will protect and support employees who report in good faith allegations of fraud, waste or misuse.
- 5.2 Retaliating against an employee who alleged fraud, waste, or misuse in good faith or who participated in an investigation conducted under this Protocol violates this Protocol.
- 5.3 Employees who believe they are being retaliated against should contact the WHOM.
- 5.4 The allegations of retaliation will be received and immediately investigated in the same manner as an allegation of fraud, waste or misuse under this Policy.
- 5.5 Where the investigation substantiates the allegations, the Chief Administrative Officer will be informed and the employee(s) involved will be subject to disciplinary action.
- 5.6 Employees who knowingly make false allegations will be subject to discipline up to and including dismissal.

## 6.0 Record Keeping and Templates

- 6.1. A representative of the CCEHP Administrator will be assigned responsibility for the initial documentation of allegations regularly.
- 6.2. A backup team member shall be assigned responsibility for administering the process in the absence of the designated representative.
- 6.3. The representative will check the voicemail, postal box and email inbox at least three days per week.
- 6.4. The representative will complete the "Notification Tracking Sheet", which contains all the necessary information needed to keep track of all incoming allegations and document all

available information, such as date, time, if a call was completed or aborted, a detailed description of the message or link to it, contact information, anonymity requests, and a classification section. See the template in Appendix B.

- 6.5. The Notification Tracking Sheet will be sequentially numbered to keep a logical order that facilitates the compilation of data for issues reporting, follow-ups and completeness. Each Notification for Consideration will be assigned a unique tracking number. The following combination of letters and numbers shall be used when assigning the tracking number to the Notification Tracking Sheet:

NTS – Stands for “Notification Tracking Sheet”

MMDDYY - 2 digits for the month the message came in, two digits for the date the message came in and two digits for the year the message came in.

### – Three numerical fields for the sequential number of complaint in a given month

For example, NTS—011223 - 002 will indicate that the Notification that has been tracked was #002 and was received on December 1, 2023.

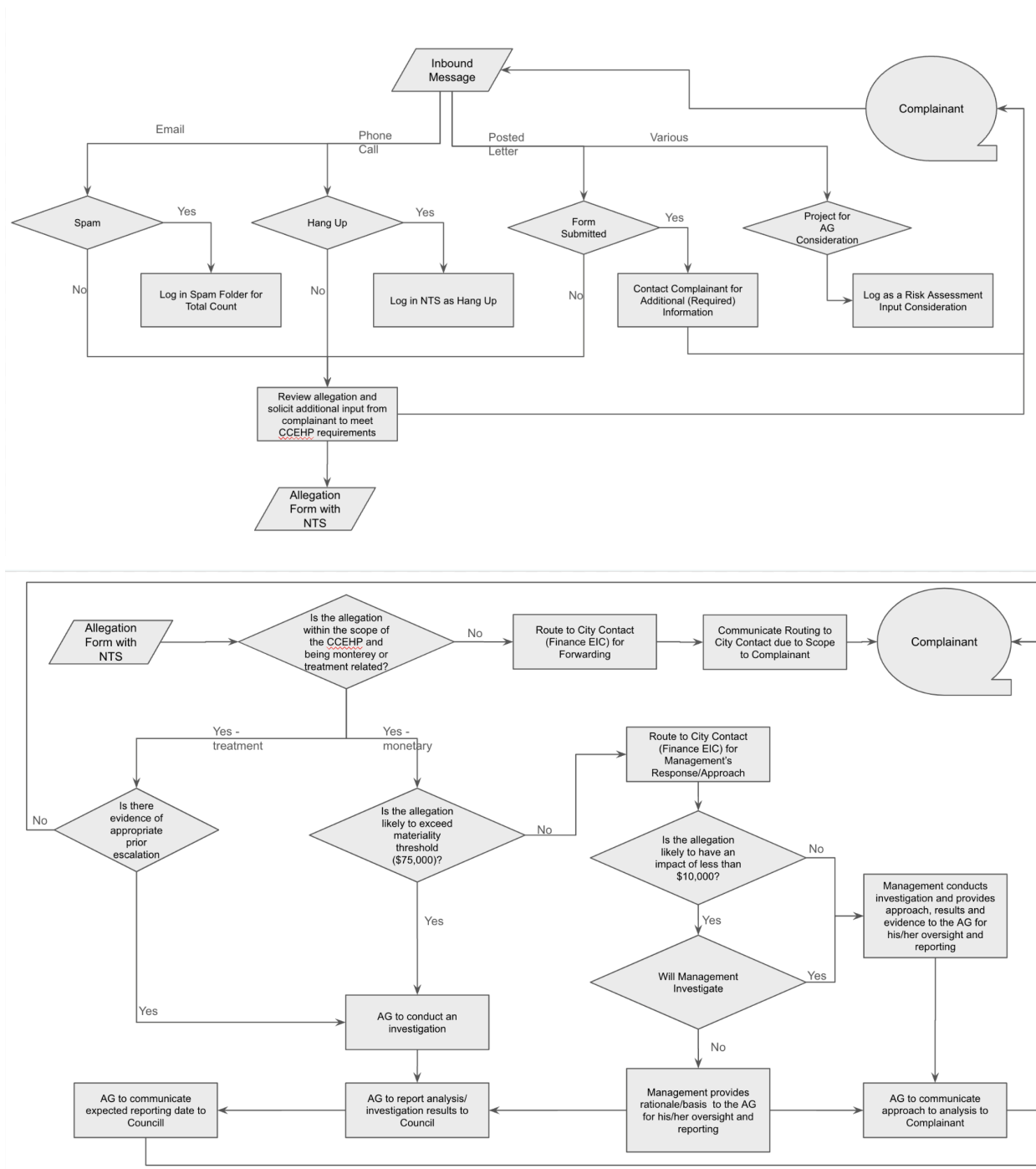
The date of receipt shall be:

- (1) the date the email system shows the message was received for email messages,
- (2) the date the call/voicemail was recorded by the system for voice-submitted messages,
- (3) the date the letter was received/picked up from the post office box for physical mail and
- (4) the date the initial conversation occurred for 1:1 items.

- 6.6 Calls, messages and notifications shall be documented by the representative, filling out the “Notification Tracking Sheet”, regardless of the nature of the call (excluding spam emails) and messages (aborted calls, duration, type of issues reported). Spam emails shall not be transposed nor recorded as inbound messages. Such messages shall be filed in a mail folder, and the count per reporting period will be disclosed.
- 6.7 The individual “Notification Tracking Sheet” shall be dated by the representative and evidence of the Administrator review and escalation decision documentation.
- 6.8 The completed Notification Tracking Sheets shall be filed in the Administrators system under the Hotline/Notification Project by the representative, following the appropriate sequence described above.
- 6.9 The representative shall update the “Notification Master Log” using the individual “Notification Tracking Sheets”. This log will support the preparation of the Hotline/Notification periodic reports presented to Management and Council, as indicated in the reporting section of this procedure.

## 7.0 ESCALATION AND DECISION CRITERIA

The following decision tree will be leveraged to help determine the appropriate resolution path:



7.1. Each inbound communication shall be evaluated to determine if it is:

- A spam message, which will be logged in a holding file,



- 
- A hangup, logged in an NTS
  - A request for a project consideration,
  - A complete submission, or
  - An incomplete submission.

Spam messages are not logged as an NTS but filed in an email folder for count purposes.

Hangups will be logged as an NTS.

Project request considerations will be considered inputs into the annual risk assessment/plan development activities.

Complete submissions will undergo evaluation in the subsequent phases.

Incomplete submissions will have a request for additional information issued to the complainant.

7.2 The allegation shall be documented in an NTS with supporting material for Completed submissions.

7.3 An initial assessment of the nature of the call/message/notification using the decision tree to determine whether it's related to the purpose of the CCEHP or requires action by the Administrator or Auditor General, Management or routing to another party. Considerations for determining if the allegation is within the scope of the CCEHP:

7.3.1 Allegations related to the following are not within the scope of the CCEHP:

- the Mayor or City Councillors or their political office staff (please contact the Integrity Commissioner for such concerns)
- The Windsor Essex County Health Unit
- Local Boards
- Municipally Controlled Corporations
- Grant Recipients
- The Committee of Adjustment
- The Essex Region Conservation Authority
- The Windsor Public Library
- The Windsor Police Services Board (WPSB)
- The Windsor Public Library Board (WPLB)

These allegations will be routed to the primary City Contact for routing to the appropriate parties by management.

7.3.2 Allegations not related solely to City personnel or contractors.

These allegations will be routed to the primary City Contact for routing to the appropriate parties by management.

#### 7.3.3 Allegations not related to City Assets.

These allegations will be routed to the primary City Contact for routing to the appropriate parties by management. The Auditor General may require management reporting and evidentiary support in the same manner as those reviews under \$75,000 in impact.

#### 7.3.4 Allegations not meeting the definition of fraud, waste or misuse under this protocol.

These allegations will be routed to the primary City Contact for routing to the appropriate parties by management. The Auditor General may require management reporting and evidentiary support in the same manner as those reviews under \$75,000 in impact.

#### 7.3.5 Allegations not likely to have an impact of \$75,000 or more in savings, recovery or additional funds.

These allegations will be routed to the primary City Contact for routing to the appropriate parties by management. The Auditor General may require management reporting and evidentiary support in the same manner as those reviews under \$75,000 in impact.

4.3.6 Where an allegation appears likely to result in potential litigation or employee discipline, the City Solicitor or Human Resources will be engaged to ensure proper protocols are administered.

7.4. The representative shall complete the “Summary of Analysis and Recommendation” containing a detailed description of the need for escalation or investigation and recommended actions and attach it to the NTS.

7.5 For “Investigations where the Auditor General has requested a management investigation with report back,” management shall provide the Auditor General with a summary of actions conducted, results, and supporting evidence. It is recommended that management consult with the Auditor General on the overall planned approach prior to conducting the work.

7.6 The CCEHP is dynamic both with regard to inbound allegations and investigations. To guide the order of execution and deployment of resources, the following risk rating protocol will be used to as a framework to aid in the prioritization of all active and pending investigations:

| Criteria             | Examples                                     | Why It Matters              | Weight |
|----------------------|--|-----------------------------|--------|
| <b>Risk Exposure</b> | Financial impact, safety, legal consequences | High risk = higher priority | 30%    |

|                          |   |  |     |
|--------------------------|---|--|-----|
| <b>Urgency</b>           | Time-sensitive (e.g., ongoing fraud, risk of destruction of evidence) | Some need immediate action                     | 25% |
| <b>Scope</b>             | Individual vs. systemic issue   | Broader scope may need an earlier focus        | 10% |
| <b>Reputation Impact</b> | Public or political sensitivity                                       | May influence escalation                       | 10% |
| <b>Evidence Quality</b>  | Availability of leads, clarity of facts                               | Easier wins vs. complex unknowns               | 10% |
| <b>Inbound Date</b>      | Date of allegation submission   | Time since the allegation was raised via CCEHP | 8%  |
| <b>Feasibility</b>       | Team skill/capacity match, ease of investigation                      | Quick hits vs. long hauls                      | 7%  |

Each allegation will be assigned a priority score based on the above criteria on a scale of 1-5, with the weighting then applied. The AG will have the ability to override the scores based on professional judgement, but this is expected to be on an exception basis.

High scores in Urgency and Reputation impact are required to supersede or impact investigations already in progress.

7.7. Where a complainant submits an allegation leading to an investigation, a letter (see Appendix D) will be issued to the complainant for their formal signature/acknowledgment. This letter will request the complainant:

- Declare the truth and accuracy of their allegation - no false or misleading information provided.
- Summarize the risk of preserving anonymity in an investigation.
- Seek the complainant's express direction to preserve or waive anonymity.
- Authorize investigators to contact the complainant.
- Acknowledge that the investigation costs money and may be conducted by Administration and/or independent parties in accordance with the protocol.
- The risks associated with investigations of allegations older than 12-18 months.

7.8. Where possible, calls made to the Concerned Citizen/Concerned Employee Hotline shall receive a written response as to the determination of the call as to whether it will be:

- Referred to City Contact for Appropriate Routing (outside scope or materiality)
- Referred to Management for Investigation with Reporting Back to the Auditor General
- To be investigated by the Auditor General
- Escalated to City Solicitor/Human Resources, given the Nature of the Allegation

## 8.0 REPORTING PROCESS

- 8.1. The representative shall input the NTS tracking data for individual allegations into the “Notification Master Log”.
- 8.2. The Notification Master Log is a spreadsheet that captures in a single document a summary of all the calls and messages received through the hotline or other notification sources over a given period and the frequency of checking the notifications left via voicemail.
- 8.3. The Notification Master Log will be used in preparing quarterly and individual reports containing the historical data of messages and calls received.
- 8.4. The count of notifications in each status report will be reported on the Auditor General Performance Dashboard.
- 8.5. For Issues requiring investigation due to their nature and risks involved, the Administrator or Auditor General may require customized reports at any time and as soon as the issue is reported through the hotline.

## 9.0 TIMING

- 9.1. The concerned citizen/employee hotline channels will be checked daily at least three business days per week with a maximum of 1 business day lagging and a target of each business day.
- 9.2. Notifications received will be processed through the decision tree within 3-4 business days upon the latter of:
  - receipt of all required information outlined in Section 2.5,
  - receipt of complainant specification of anonymity preference,
  - five business days of seeking a Complainant’s specification of anonymity preference where there is no response.
- 9.3. Communications to management (forwarding of allegations), as appropriate, will occur within 2-3 business days after the final receipt of requested content from a complainant or the anonymity validation or waiver.

## 10.0 EFFORT ALLOCATION FOR CALL ANALYSIS

- 10.1 The Inbound Call Investigation budget is estimated to require a set number of-hours per year to check the phone system, email, online submissions, PO Box, direct conversations and follow up for the collection of initial allegation, to summarize the inbound allegation, to

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work the call through the decision tree and route it appropriately and to document each inbound communication and its associated assessment/routing. The Annual Auditor General Work Plan will reflect the specific hours in the CCEHP project and as well as hours in Unallocated.

- 10.2 The time and effort required to analyze inbound allegations is an unknown factor in a given year. As such, as allegations come in, the Administrator may allocate available time from the Unallocated projects to conduct the required initial follow-up and analysis. To commence each year, a specific number of hours will be allocated to the CCEHP process for inbound allegation follow-up and clarification (not investigation). The Annual Auditor General Work Plan will reflect these-hours in Unallocated.
- 10.3 Individual allegations requiring investigation will require individual effort estimates.
- 10.4 The Auditor General shall have the authority to stop, delay or postpone active/ongoing or planned work to redirect efforts to conduct projects and analysis when a complaint/allegation is lodged which may have merit. Any such changes will be reported to City Council for approval of the Plan change or for allocation of additional resources to avoid such changes to the plan.
- 10.5 The power to make such plan amendments is granted to the Auditor General based on their judgement until a plan of action and additional cost implications can be presented to and approved by Council, generally at the next planned status reporting point.

## 11.0 COMMUNICATION AND AWARENESS

- 11.1 Communication and awareness of the hotline process among citizens and employees directly impacts the effectiveness of the hotline and notification process. Management is responsible for ensuring that citizens and employees understand the hotline's purpose and use it appropriately to report on potential fraud, misuse, and/or abuse of city assets.
- 11.2 Management shall make the hotline contact information available to the public.
- 11.3 The information available on the public website shall include, but is not limited to, the following:
- The purpose of the hotline (to enable citizens and City of Windsor employees to provide information on suspected frauds, waste or abuse of City assets in a private, confidential and anonymous manner at the caller's discretion.
  - A statement that describes who should use the Concerned Citizen/Concerned Employee Hotline
  - A statement that describes types of complaints which would not be appropriate for the hotline (customer service, complaints of a general nature, out-of-scope domains, etc.)
  - Information on how to submit a complaint (phone, email, fax, mailing address)

- Phone: (519) 980-6656 (Voicemail may be left)
  - Email: [windsorcomplaint@risksavvy.ca](mailto:windsorcomplaint@risksavvy.ca)
  - Posted Mail: Risk Savvy Ltd,  
P. O. Box 790  
St. Marys Stn Main, Ontario N4X 1B5
- Template (see Appendix A) of required information for submitting an alleged complaint.
  - A brief description of the complaint management process (see section 12).
  - A reference to the City's "Concerned Employee Policy" (2003) updated by Management to reflect current practices.
  - A notice for potential implications of reporting false allegations which contain defamatory or libellous statements
  - A reference to the Accountability and Transparency section of the public website - The Office of the Integrity Commissioner, including a reference to the complaint process for potential violations of the Code of Conduct for Council Members
  - Definition of the terms Fraud, Waste, Misuse and City Assets

## 12.0 MATERIALITY GUIDELINES

12.1 The Auditor General shall only conduct analysis or investigation of any hotline call (excluding fraud) which has the potential impact, due to waste or abuse, of greater than \$75,000.

12.2 Management will be informed where a hotline call (excluding fraud) has a potential impact of less than \$75,000. Where an allegation may result in \$10,000 or less of an impact, management may draft the rationale and implication for not conducting an investigation for review, submission and reporting to City Council by the Auditor General. For allegations with a likely impact of \$10,000 to \$75,000, management will conduct an investigation, draft the overall approach, document findings and summarise results for submission to, and oversight by, the Auditor General. The Auditor General may request additional investigation before reporting the overall results to City Council.

## Appendix A - City of Windsor - Concerned Citizen/Employee Complaint Form

### City of Windsor - Concerned Citizen/Employee Complaint Form

The CCEHP is for use by either residents of the community or by City of Windsor employees. It is intended for the reporting of allegations of fraud, waste or misuse of City assets. All submission are anonymous with the details being provided to the CCEHP Administrator and personnel under the supervision of the Auditor General.

This form is not intended for conducting everyday customer service discussions. It is also not intended for complaints of a general nature by employees about City Council or management, including complaints that are normally and properly handled by personnel, payroll or health and safety.

Complaints may be filed regarding the City of Windsor:

- employees
- management
- contractors

The CCEHP process does not apply to:

- the Mayor or City Councillors or their political office staff, (please contact the Integrity Commissions for such concerns)
- The Windsor Essex County Health Unit
- Local Boards
- Municipally Controlled Corporations
- Grant Recipients
- The Committee of Adjustment
- The Essex Region Conservation Authority
- The Windsor Public Library
- The Windsor Police Services Board (WPSB)
- The Windsor Public Library Board (WPLB)

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\* Indicates required question

#### Contact Information

We will generally contact you and submit formal messages via email, but we may need to discuss some of your concerns or information directly with you.

1. First & Last Name \*

\_\_\_\_\_

2. Email Address \*

\_\_\_\_\_

3. Preferred Contact Number \*

\_\_\_\_\_

4. I hereby attest to the fact that I am a citizen or represent a taxpayer of the City of Windsor \*

*Check all that apply.*

- ☐ I am a citizen of the City of Windsor
- ☐ I represent a citizen or taxpayer of the City of Windsor
- ☐ I am an employee or contractor of the City of Windsor
- ☐ Other: \_\_\_\_\_

### **City Area and Participants**



5. **Service Area or Function \***

 Dropdown

*Mark only one oval.*

- ☐ Parks & Facilities
- ☐ Library Services
- ☐ Recreation & Culture
- ☐ Fire & Rescue Services
- ☐ Asset Planning
- ☐ Financial Planning
- ☐ Financial Accounting
- ☐ Taxation & Financial Projects
- ☐ Engineering
- ☐ Public Works Operations
- ☐ Pollution Control
- ☐ Employment & Social Services
- ☐ Housing & Children's Services
- ☐ Huron Lodge
- ☐ Planning & Development Services
- ☐ Economic Development & Client Change
- ☐ Building Services
- ☐ Transit Windsor
- ☐ Legal & Real Estate Services
- ☐ Corporate Security
- ☐ Council Services
- ☐ Communications & Customer Services
- ☐ Purchasing, Risk Management & Provincial Offences
- ☐ Human Resources & Employee Relations
- ☐ Equity, Diversity, Inclusion, Accessibility & Indigenous Affairs
- ☐ Office of the Chief Administrative Officer
- ☐ Unknown/Not Certain

6. **Who Is Involved?**

\*

Names of Individuals Involved (if known)

Roles/Positions (e.g., municipal employees, elected officials, contractors)

Relationship to the Complainant (e.g., supervisor, service provider)

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**Allegation Considerations**

7. Please indicate which of the following criteria apply to your complaint: \*

*Mark only one oval.*

- ☐ Fraud, waste or misuse related to City Assets      *Skip to question 8*
- ☐ Mistreatment      *Skip to question 10*
- ☐ Deception      *Skip to question 10*
- ☐ Lack of Fairness      *Skip to question 10*

**Fraud, Waste or Misuse of City Assets**

8. Please explain which City Assets are associated with your complaint. \*

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9. Given your knowledge of this allegation and the evidence you have compiled, what \*  
do you believe the economic impact to the City of Windsor to be for this complaint?

*Mark only one oval.*

- ☐ Less than \$10,000
- ☐ More than \$10,000 but less than \$75,000
- ☐ More than \$75,000

*Skip to question 16*

**Mistreatment, Deception or Lack of Fairness**

10. I have reported my concerns to the following areas of Administration: \*

*Check all that apply.*

- ☐ The area supervisor or manager (required before escalation to the Hotline)
- ☐ The Commissioner for the Area or Human Resources (required before escalation to the Hotline)
- ☐ Other: \_\_\_\_\_

11. Please provide the name and title of the area supervisor or manager you \*  
escalated to, as well as the date of escalation

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- 
12. Please provide a summary of what your request to them was and the outcome was \*

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13. Please provide the name and title of the Commissioner or Human Resources Contact you escalated to, as well as the date of escalation \*

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14. Please provide a summary of what your request to them was and the outcome was \*

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15. Please describe why the outcome(s) were not to your satisfaction \*

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### Complaint Details - Allegation Information

- **What Happened?**
  - Provide a clear and factual description of the issue or wrongdoing.
  - Avoid vague statements—be as specific as possible.
- **Where Did It Happen?**
  - Mention the exact location where the incident occurred (e.g., city hall, municipal office, public service department).
- **When Did It Happen?**
  - Date(s) and Time(s) of the event(s).
  - If the issue is ongoing, indicate when it started and if it is still happening.

16. Please record information about what happened, where it happened and when it happened. \*

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17. Summarize what steps you have taken to try and resolve your complaint, including the consideration you have submitted and what response you received. Who have you already dealt with in the city concerning your complaint? \*

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- 
18. **Were there any specific Relevant Policies, Laws, or Regulations Violated** \*
- (please indicate which ones you are aware of)

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19. **Harm or Impact** (Please explain how the issue has affected you, others, the municipality, etc.) \*

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20. **Desired Outcome or Resolution** \*

*Mark only one oval.*

- ☐ Investigation and disciplinary action
- ☐ Policy change or reform
- ☐ Refund or compensation
- ☐ Apology or corrective action
- ☐ Other: \_\_\_\_\_

**Evidentiary Support**

21. **Indicate Which Supporting Evidence You Have Available \***

*Check all that apply.*

- ☐ Documents, reports, letters
- ☐ Emails
- ☐ Photos, Videos, or Recordings (if legally obtained)
- ☐ Witness Information (names and contact details of people who can confirm the allegation)
- ☐ Other: \_\_\_\_\_

22. **File Uploads**

\*

Do you have digital files which you can share? If so, we will send you a link to a Google Drive to upload them to. You will need to log into Google first.

*(The Google Drive is more secure option.)*

*Mark only one oval.*

- ☐ I have files to upload - please send me a link to Google Drive (gmail account required)
- ☐ I have files to upload - I will send them to the email account [windsorcomplaint@risksavvy.ca](mailto:windsorcomplaint@risksavvy.ca)
- ☐ I do not have files to upload

**Submission Assertion**

23. **I have escalated this concern to other regulators/authorities \***

*Mark only one oval.*

- ☐ Yes - I requested guidance or information
- ☐ Yes - I have initiated an investigation/review
- ☐ Yes - I have initiated legal action
- ☐ No

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24. Name of regulator/authority (not required for legal action) \*

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25. I attest to the following statements \*

*Check all that apply.*

- ☐ The information I have provided is true and accurate to the best of my knowledge.
  - ☐ I have not provided any false or misleading information
  - ☐ I believe that this allegation warrants the use of City funds to conduct an investigation
-



## Appendix B - Notification of Tracking (NTS) Template

| NTS Number  | NTS - MMDDYY - ### |
|---|--------------------|
| Date Received   |                    |
| Time Received   |                    |
| Method of Receipt   |                    |
| Complainant Name (First & Last):  |                    |
| Contact Email:  |                    |
| Contact Number:   |                    |
| Anonymity   |                    |
| Link to Complaint Form:   |                    |
| or  |                    |
| Complaint Summary:  |                    |
| Step  |                    |
| 1 Was this a Hang Up  |                    |
| Is the complaint form complete? Do we have all the required minimum information to assess a complaint?  |                    |
| 2 Does the complaint relate to any of the following entities:   |                    |
| <ul style="list-style-type: none"> <li>- the Mayor or City Councillors or their political office staff, (please contact the Integrity Commissions for such concerns)</li> <li>- The Windsor Essex County Health Unit</li> <li>- Local Boards</li> <li>- Municipally Controlled Corporations</li> <li>- Grant Recipients</li> <li>- The Committee of Adjustment</li> <li>- The Essex Region Conservation Authority</li> <li>- The Windsor Public Library</li> <li>- The Windsor Police Services Board (WPSB)</li> <li>- The Windsor Public Library Board (WPLB)</li> </ul> |                    |
| 3 Does the allegation relate to City personnel, management or contractors?  |                    |
| 4 Does the allegation relate to City Assets?  |                    |
| 5 Does the allegation relate to fraud, waste or misuse?   |                    |
| 6 What is the expected dollar value impact of the allegation?   | \$                 |
| What is the basis for this impact value?  |                    |
| Categorization of Project Per Monetary Estimate   |                    |
| 7 Is the complaint a workplace related allegation which requires internal escalation first?   |                    |
| Summary of parties previously escalated to and outcomes.  |                    |
| Categorization of Project if Workplace Issue  |                    |
| 8 Is the complaint a treatment related allegation which requires City escalation first?   |                    |
| Summary of parties previously escalated to and outcomes.  |                    |
| Overall Analysis  |                    |
| Categorization  |                    |
| Responsible Party   |                    |
| Where Investigation is Assigned - Key Elements for Consideration:   |                    |

## Appendix C - Framework & Guidelines for Investigators Handling Citizen Complaints

### 1. Principles of Administrative Fairness & Procedural Justice

- Investigators must ensure that:
  - The complainant has a chance to be heard (right to be heard).
  - The investigator remains neutral and unbiased.
  - Decisions are based on evidence, not speculation or bias.

### 2. Applicable Legislation & Municipal Policies

- Investigations must comply with:
  - Municipal Acts (e.g., Ontario's Municipal Act, 2001)
  - Public Sector Ethics Codes
  - Freedom of Information and Protection of Privacy Acts (FOIPPA)

### 3. Investigation Guidelines by Public Oversight Bodies

- Many municipal investigators follow procedures outlined by:
  - Provincial or State Ombudsman Offices (e.g., Ontario Ombudsman's "Principles of Good Administration")
  - Municipal Integrity Commissioners (if investigating ethics violations)
  - Auditor General Standards (if financial misconduct is involved)
  - Police Oversight Agencies (for law enforcement complaints)

### 4. Public Sector Investigative Standards

- The investigations and this framework are based on the key elements of the following standards and frameworks with consideration for small teams (i.e. limitations on the number of investigators assigned to a case - being 1):
  - Public Sector Investigations Best Practices Guide (e.g., Canada's Public Service Commission)
  - Complaint Mechanisms Reference Guide by Transparency International

### 5. Evidence-Based Decision Making

- Investigators must:
  - Gather and assess objective and relevant evidence.
  - Conduct interviews with all relevant parties.
  - Maintain detailed records of findings.
  - Ensure confidentiality and protect whistleblowers where necessary.

### 6. Reporting & Documentation Requirements

- Investigators must:
  - Produce a fact-based report with findings and recommendations.
  - Follow municipal reporting procedures.
  - Submit findings to the appropriate oversight body (the Auditor General and City Council).

**Guide for providing complaint information:**

## **1. Details of the Incident**

- **What Happened?**
  - Provide a clear and factual description of the issue or wrongdoing.
  - Avoid vague statements—be as specific as possible.
- **Where Did It Happen?**
  - Mention the exact location where the incident occurred (e.g., city hall, municipal office, public service department).
- **When Did It Happen?**
  - Date(s) and Time(s) of the event(s).
  - If the issue is ongoing, indicate when it started and if it is still happening.

## **2. Who Is Involved?**

- Names of Individuals Involved (if known)
- Roles/Positions (e.g., municipal employees, elected officials, contractors)
- Relationship to the Complainant (e.g., supervisor, service provider)

## **3. Supporting Evidence (If Available)**

- Documents, Reports, or Emails (e.g., contracts, invoices, meeting minutes)
- Photos, Videos, or Recordings (if legally obtained)
- Witness Information (names and contact details of people who can confirm the allegation)

## **4. Relevant Policies, Laws, or Regulations Violated**

- If known, mention any laws, municipal codes, ethics rules, or policies that were breached.
- Example: "This conduct violates the Municipal Conflict of Interest Act and the City's Code of Conduct for Public Officials."

## **5. Harm or Impact**

- Explain how the issue has affected you, others, or the municipality.
- Examples:
  - "This action resulted in financial loss to taxpayers."
  - "It created an unfair hiring process."
  - "The conduct undermines public trust."

## **6. Desired Outcome or Resolution**

- Specify what action you are seeking:
  - Investigation and disciplinary action
  - Policy change or reform

- Refund or compensation
- Apology or corrective action

## Appendix D - Formal Letter Format for Investigation Initiation - Declaration & Consent Statement

[Date]

**Investigating Officer**, Concerned Citizen and Employee Hotline, Office of the Auditor General  
The Corporation of the City of Windsor  
% Risk Savvy Ltd.  
P. O. Box 790  
St. Mary's Stn Main, Ontario N4X 1B5

**Subject:** Declaration & Consent for Complaint Submission

Regarding Allegation: [insert NTS number and investigation name]

**Dear Investigating Officer,**

I am submitting this letter as part of my formal complaint to affirm the accuracy of the information provided and to authorize the necessary investigative steps.

I declare that the information in this complaint is true and accurate to the best of my knowledge. I understand that providing false or misleading information may result in the dismissal of my complaint or legal consequences.

I consent to the disclosure of this information to relevant investigative bodies to conduct an investigation. Complainants need to be aware that by conducting an investigation, there are risks associated with anonymity:

- a) Preserving anonymity may limit an investigation's scope and depth.
- b) The actual investigation of an allegation may provide Administration with insight into who the anonymous party is given prior interactions with Administration, by the complainant, on the same topic.
- c) Preserving anonymity may increase the overall investigation efforts so that the investigator can safeguard the complainant's anonymity.

Please select the option you prefer:

- ☐ I request that the investigation do its best to preserve my anonymity and understand the limitations this may put on the investigation, and that Administration may be able to determine my identity as a result of the investigation occurring.
- ☐ I consent to waiving my anonymity for the purposes of this investigation.

I authorize the investigative authority to contact me for further details if necessary and to share relevant information with other agencies involved in the investigation, subject to applicable privacy laws.

I understand that initiating an investigation may require the allocation of public funds, including resources for personnel, legal analysis, and administrative support. I trust that the responsible authorities will exercise due diligence in assessing the merits of the complaint and ensure that budgetary allocations are made efficiently and responsibly. Furthermore, I acknowledge that investigations with a projected net impact of under \$200,000 may be conducted by management under the oversight of the Auditor General, ensuring both financial prudence and independent oversight.

I also recognize the importance of timely complaint submissions to facilitate the effective collection of evidence and resolution of issues. Specifically:

- **Allegations regarding events that occurred more than seven years ago** may be difficult to investigate due to the availability of evidence.
- **Allegations concerning incidents that took place more than 12 to 18 months ago** may require additional time and effort due to challenges in gathering supporting documentation and witness testimony.

Please confirm receipt of this declaration and inform me if any additional information is required. I appreciate your time and attention in reviewing this matter.

Sincerely,

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Signature

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Name

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Date

## **Appendix E - Reports Issued**

### **E.1 Ford City Business Improvement Area GOVERNANCE BYLAW COMPLIANCE INTERNAL AUDIT REVIEW**



Office of the Municipal Auditor General,  
The Corporation of the City of Windsor

January 15, 2025

**Ford City Business Improvement Area  
GOVERNANCE BYLAW COMPLIANCE  
INTERNAL AUDIT REVIEW**

# REPORT



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# Executive Report

## Ford City Business Improvement Area Governance Bylaw Review Overview

Ford City Business Improvement Association (BIA) works towards the attraction, retention and promotion of businesses in the historic Ford City area. Historic, unpolished, and ready, Ford City and Drouillard Road is home to businesses and entrepreneurs who are not afraid to take risks.

In 2023, the BIA had actual revenues of \$47,891, including levies of \$32,000, a 1.3% increase over 2022. An annual deficit of \$7,409 was incurred but was covered by reserves. There are 160 businesses/property owners listed on the membership listing.

## Context Setting

Conducting a compliance audit within the first year of implementing a new framework can offer significant benefits regarding the early detection of issues, organizational awareness, and framework alignment. However, it also comes with risks, including potential strain on resources, misinterpretation of results due to framework infancy, and resistance from personnel. Such a review should anticipate compliance exceptions, as should the reader of the report.

For entities in their first year, we anticipated either Needs Improvement or Non-compliance ratings. The latter rating applies to smaller BIAs or those with a new level of required evidence for compliance.

## Insights

- The City of Windsor Business Improvement Area Governance Bylaw (Governance Bylaw) was recently (late April 2023) put in force when considering the scope period of this review.
- While several controls were noted as being in effect or partially compliant, management representation was required for many controls.
- The governance bylaw contains a significant volume of control activities and processes, which will likely increase efforts for a BIA of this size.

## Project Purpose

The objective of this internal audit was to consider the BIA's compliance with a significant portion of the Governance Bylaw and selected topics such as procurement, hiring and termination.

The scope period for the review was May 2023 through September 2024.

What We Did

Below is a sample selection of some of our activities:

We considered 74 specific areas of compliance with the Governance Bylaw. We also reviewed the BIA website to understand the overall context and the Board minutes.

We met with management several times to review the various activities that Ford City BIA undertook to comply with the governance bylaw.

We requested and acquired evidence to support management’s description of the controls.

In various instances, we selected samples from a population and tested the operating effectiveness of the controls.

We acquired management representation where management indicated controls or activities existed but could not be demonstrated through evidence at the time of our review.

What We Found

Ford City BIA complied with 55.35% of the 56 control requirements during that period. An additional 18 control requirements were deemed not applicable to the BIA.

Overall Assessment<sup>1</sup>

Non-compliant

BIA Management Comments

We have recently completed the compliance audit and have a few comments relating to the process and outcome of the audit.

This audit was no small task. Our Executive Director has 15 hours a week assigned and this audit went beyond those hours, on top of the daily, operational tasks of the BIA. The Ford City BIA is very organized and has everything under control, but even with that said, the audit took a significant (and far more than anticipated) amount of time.

The Ford City BIA has the smallest budget of the BIAs in the City of Windsor. Due to our size and scope, many items in the audit do not directly apply to us and so it appears that we are “non-compliant”. For example, we do not have a travel plan, because we do not have the funds nor time to do any BIA-related travelling, and so, we

<sup>1</sup> See Appendix B for rating scale definitions

|        |   |                                  |
|--------|---|----------------------------------|
|        | <p>appear to be non-compliant. We believe the BIA's would benefit more from a risk-related audit versus a compliance audit.</p> <p>Since the implementation of the new City of Windsor BIA by-law, BIAs have not been provided with any training or tools to complete the tasks outlined within the by-law, again, showing non-compliance. As a small BIA with limited hours, we are seeking support from the City to assist with the additional items we are being asked to provide to comply with the new by-law.</p> <p>The Ford City BIA looks forward to working with the City of Windsor to ensure we are in compliance and attending any support training that is being offered.</p> |                                  |
| Name:  | Shane Potvin  | Kaitlyn Karns                    |
| Title: | Ford City BIA Chair   | Ford City BIA Executive Director |
| Date:  | March 20, 2025  |                                  |

#### Administrations Comments

A significant amount of administrative effort was put forth in the development of the Governance Bylaw during which several meetings were held with members and representatives of the BIA Boards to review, provide context and seek feedback with regards to the requirements included in the Bylaw. In addition, BIAs have been provided access to a dedicated single point of contact at the City who is available to respond to questions from the BIA's. Further a centralized email address was made available where BIA's could raise questions and seek clarification on a matter that may arise. This e-mail is regularly monitored for timely responses.

Administration acknowledges that specific training regarding the Governance Bylaw has not yet been offered to the BIA board members. Administration recognizes the importance of this training and are committed to finalizing training materials to ensure training is comprehensive, relevant, and supports the BIA's in meeting the governance requirements. The goal is to schedule and deliver training by the Fall of 2025. Future training, which aligns with the term of Council and election of BIA Boards will be scheduled commencing in 2027. Training will incorporate key aspects as identified through the Ford City Business Improvement Area Internal Audit Review (January 15, 2025) as well as other items for

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|        |  |
|--------|--|
|        | consideration as identified in this report. At this time, Administration is not recommending any proposed changes to the current Governance Bylaw. Those areas where compliance may be challenging for the BIA's will be highlighted for further discussion as part of the planned training. |
| Name:  | Janice Guthrie   |
| Title: | Commissioner of Finance/City Treasurer   |
| Date:  | April 9, 2025  |

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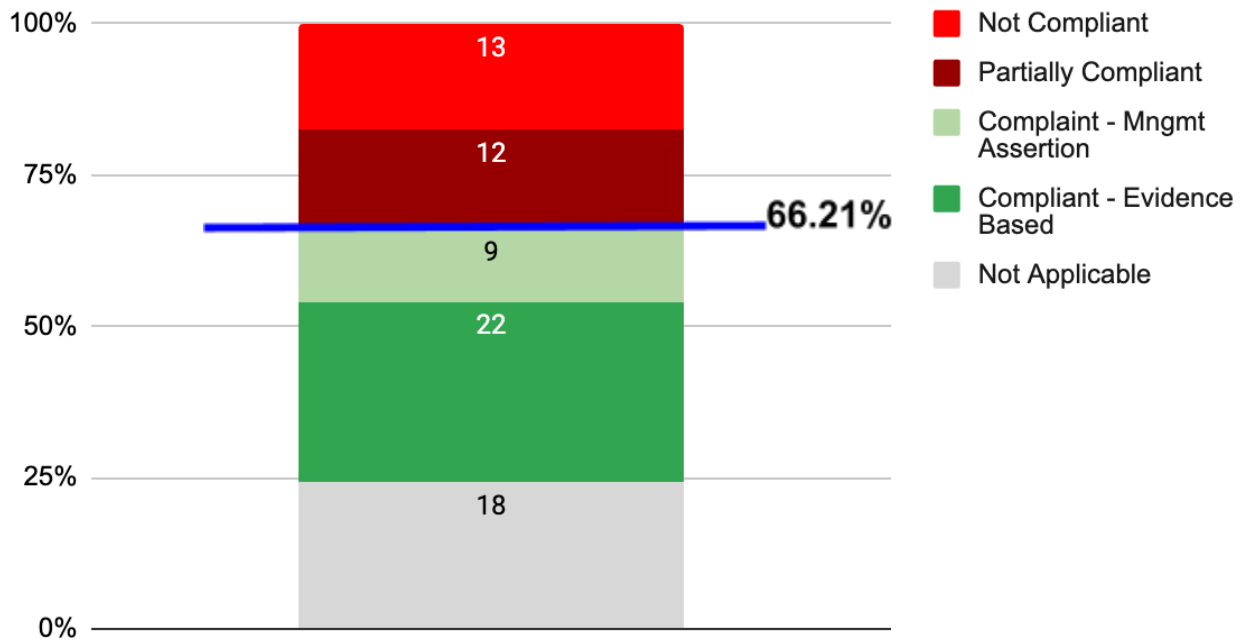
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# Summary of Results

## Report Classification

When reviewing the Ford City BIA, we considered 74 specific control requirement areas (domains or Governance Bylaw elements), of which 18 were deemed not applicable to the context of the BIA during the scope period. Therefore, the Ford City BIA was assessed against 56 specific control elements. Overall, the compliance assessment is represented by the following graph:

### Summary of All Governance By-law Control Requirements Considered & Rating

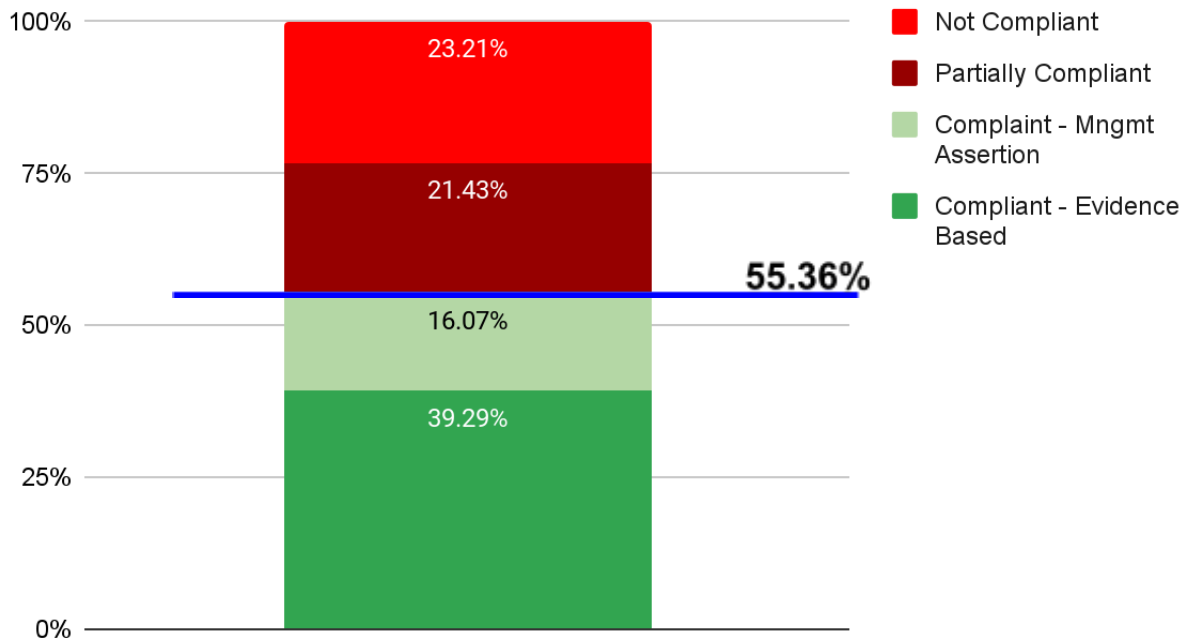


| Assessment                  | Score     | Percentage     |
|-----------------------------|-----------|----------------|
| Not Applicable              | 18        | 24.32%         |
| Compliant - Evidence Based  | 22        | 29.73%         |
| Complaint - Mngmt Assertion | 9         | 12.16%         |
| Partially Compliant         | 12        | 16.22%         |
| Not Compliant               | 13        | 17.57%         |
| <b>Total</b>                | <b>74</b> | <b>100.00%</b> |

## Overall Compliance Assessment

The Ford City BIA's compliance with applicable Governance Bylaw control requirements was assessed at 55.36%, considering evidentiary support and management representation.

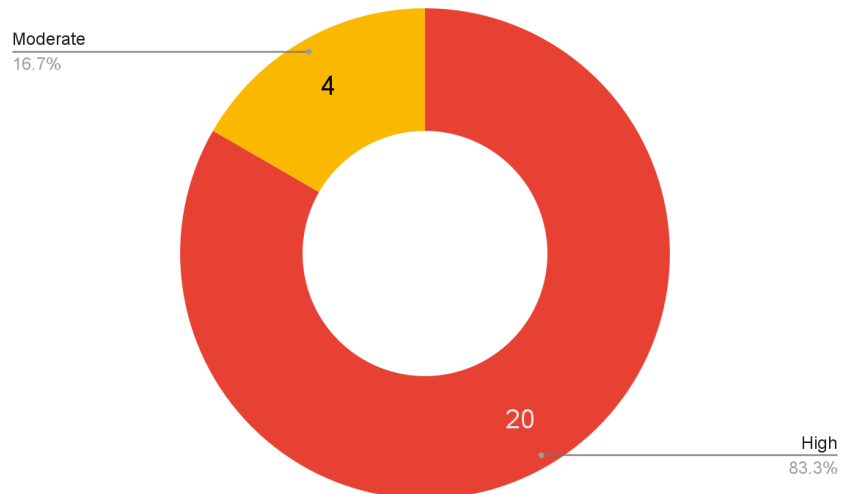
### Overall Compliance for Applicable Domains



### Findings Rating Dispersion

As part of the review, we identified several findings for which we recommend that the City Administration provide consideration or input before BIA management develops an action plan.

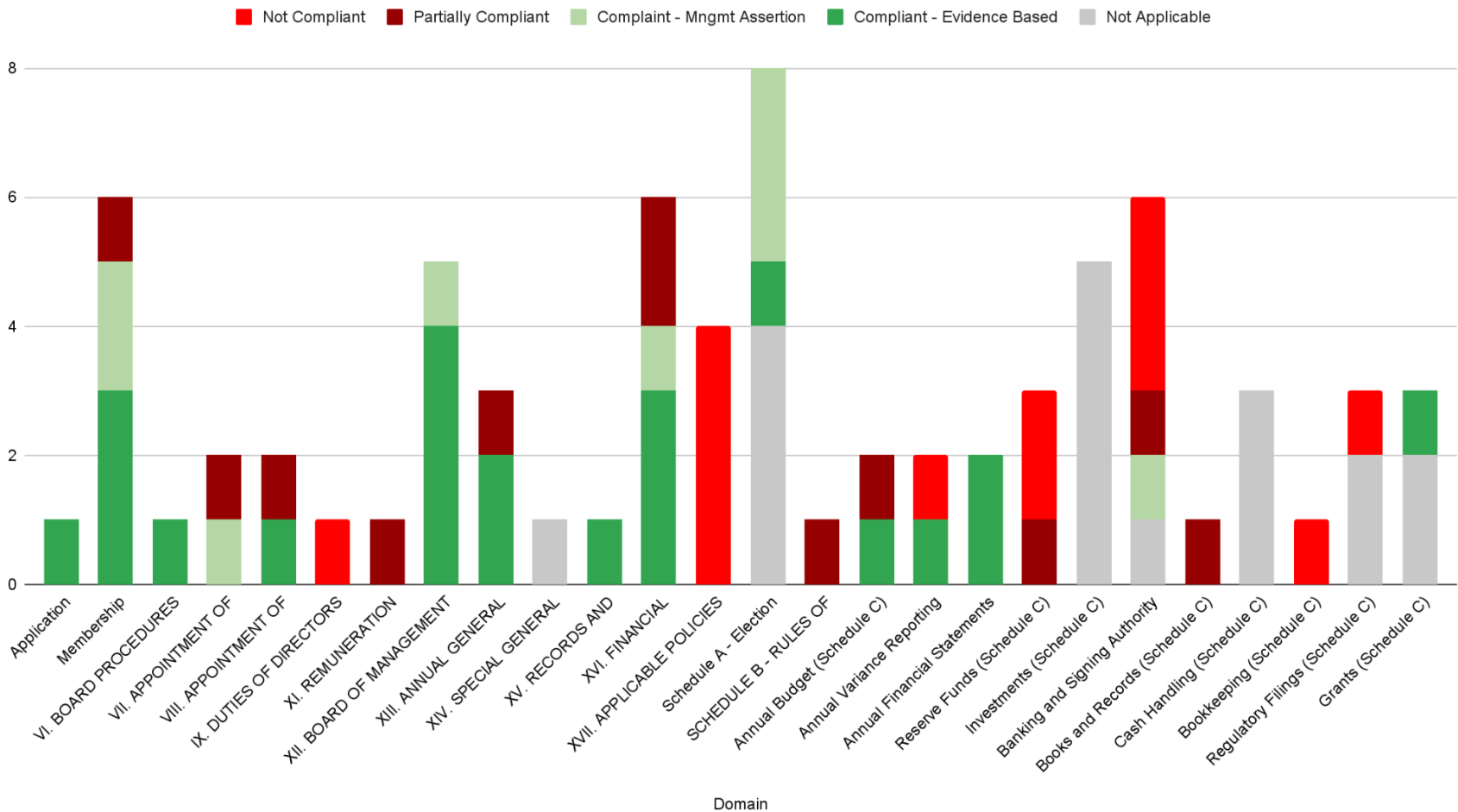
Overall, twenty-four findings have been outlined in the Detailed Findings section of this report, and one finding may impact several compliance areas. The following graphic provides an overview of the individual aggregation of finding ratings:



## Assessment by Governance Bylaw Domain

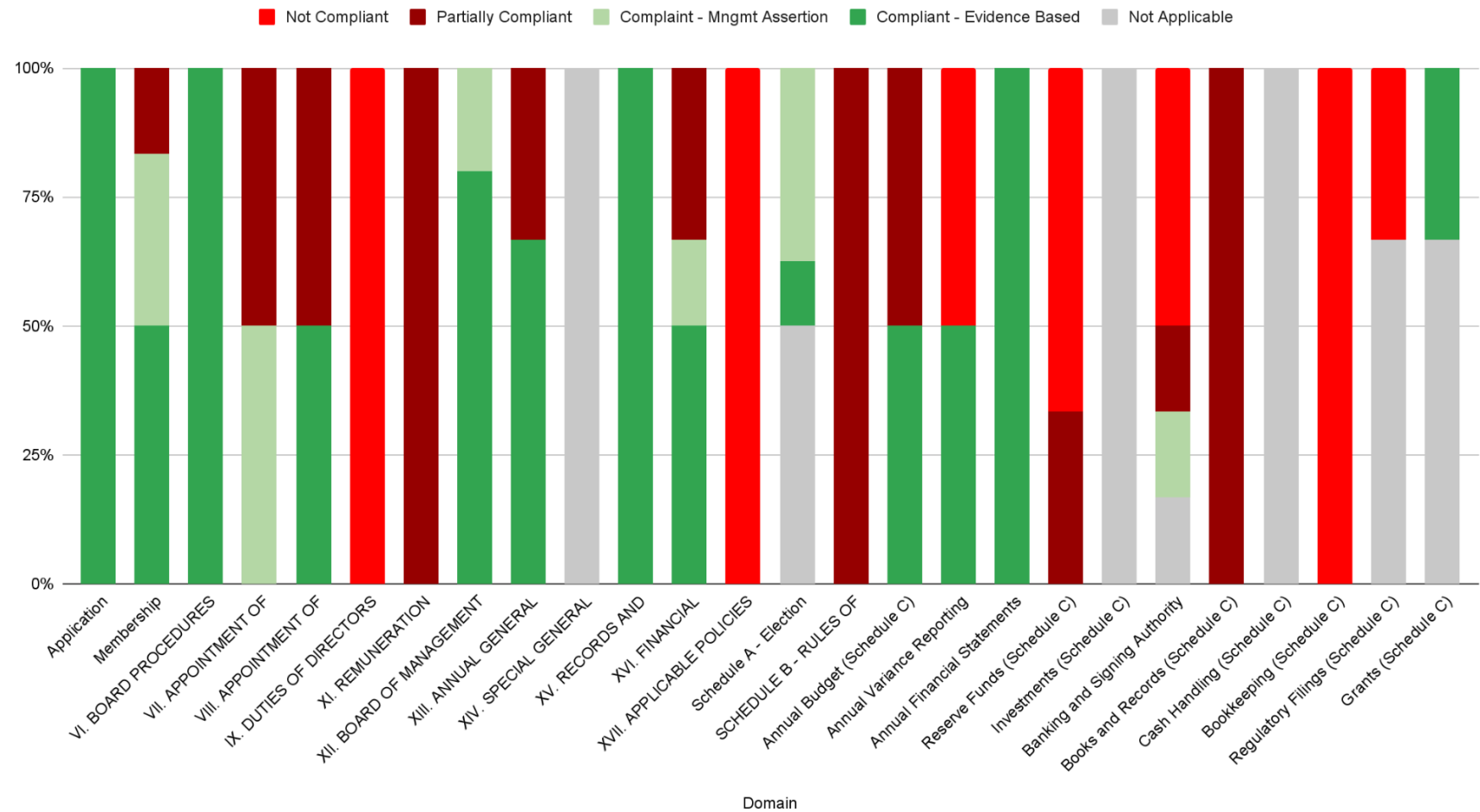
The following graphs depict the assessment, by major bylaw area (domain), as a count and percentage of control requirements considered. As such, the graphic provides insight into the specific areas where compliance was challenging.

Scores By Domain Considered





## Percent Compliance By Domain Considered



Key areas where compliance was challenging were:

1. IX. DUTIES OF DIRECTORS AND OFFICERS—**Compliance was beyond the BIA's control.**  
The BIA could not comply and attend governance and conflict of interest training offered by the City because the City had not yet provided this training.
2. XI. REMUNERATION - Expenses appeared to align to the nature of the events within the BIA at the time and did not relate to travel but BIA business; however, there was no Board approved Travel and Business Expense Policy to consider alignment with.
3. XVII. APPLICABLE POLICIES - The Governance Bylaw requires four Board policies at each BIA (1. sale and disposition of land, 2. hiring of employees, 3. procurement of goods and services, and 4. travel and business expenses). In the case of Ford City BIA, none of these policies exist; however, the first two are not applicable as there are no land-based assets and no employees. The latter two are generally applicable as there are procurement activities and the reimbursement of business expenses occurs (travel is not incurred).
4. SCHEDULE B - RULES OF PROCEDURE AND DUTIES OF OFFICERS - There was no direct evidence of (1) Secretary's oversight of the minute requirements and (2) there was no evidence required signing of the minutes by both the Secretary and the Chair.
5. SCHEDULE C IV. RESERVE FUNDS—Reserves exceed 25% of the 2023 levy; however, no formal plan for addressing the reserve was noted, and compliance with sub-provisions was challenging.
6. SCHEDULE C - VI. BANKING AND SIGNING AUTHORITY - Evidence of two signing officers' approval of all payments over \$100 was not attainable, two samples did not have the invoice with the reimbursement support, controls over payments to close family relations is people dependent, formal bank reconciliations are not prepared (and therefore approval of them cannot occur).
7. SCHEDULE C VII. BOOKS AND RECORDS - Historical records that were more than two years old were more challenging to acquire or were not acquired. Several of these were corporate minutes that should have been retained.
8. SCHEDULE C IX. BOOKKEEPING - Evidence of the bookkeeper being determined by the Board was not available other than through retrospective approval via payment. No formal agreement related to services, terms and conditions and fees was detected.

## Detailed Findings

| # | Title                             | Rating |
|---|-----------------------------------|--------|
| 1 | Prior Constitution and Governance | High   |

| #                              | Title  | Rating      |
|--------------------------------|--|-------------|
|                                | Bylaw Alignment  |             |
| <b>Finding</b>                 | <p>The BIA has a prior existing constitution, which management provided a copy of; however, a signed copy was not readily available.</p> <p>Further, within the Governance Bylaw, Schedule A and B were adopted by City Council, which was the Acting Board for the BIAs at that time. As such, the BIA Governance By-Law and supporting schedules became part of each BIA's governance structure; however, some BIAs have prior Constitutions, bylaws and procedures. This is the case for Ford City BIA, and the language of the BIA Governance By-Law does not appear to contain wording to repeal or supersede these prior governing elements. Further, there was no evidence of subsequent repeal/superseding nor analysis to consider potential conflicting elements detected.</p> |             |
| <b>Implication</b>             | <p>An overarching and unsigned constitutional/governance document creates uncertainty and a potential lack of legal authority over the company's governance and operations. While the entity might proceed with operations in some cases, it risks legal challenges, disputes, and operational confusion.</p> <p>There is a risk that a prior constitution and the Governance Bylaw are in conflict or may not be aligned.</p>   |             |
| <b>Recommendation for City</b> | <p>The City should consider requiring confirmation from each BIA, at a specified date, that the BIA Board has either:</p> <ol style="list-style-type: none"> <li>1. Reviewed and approved an analysis of all prior Governing BIA documents (Constitutions, Bylaws, Policies, etc.) and has completed actions to ensure each document has been updated and is in accordance with the Governance Bylaw, or</li> <li>2. Tabled and passed a motion, by the BIA Board (or AGM, as appropriate), to repeal all prior governance documents such that the Governance Bylaw supersedes them and is the in-force standard.</li> </ol>   |             |
| <b>Recommendation for BIA</b>  | The BIA should comply with the City's requirements regarding Governance Bylaw policies.  |             |
|                                |  |             |
| <b>2</b>                       | <b>BIA Membership Authority</b>  | <b>High</b> |
| <b>Finding</b>                 | <p>The Governance Bylaw specifies that "the Secretary is responsible to ensure the Membership list is current"; however, BIA members are defined by the Municipal Act, and final membership is determined through the City Levy listing within the boundary. Further, the BIA often has the membership listing updated and maintained by the Director and chair.</p>   |             |
| <b>Implication</b>             | Risk of non-compliance with administrative items in the bylaw.   |             |

| #                              | Title   | Rating      |
|--------------------------------|---|-------------|
|                                | The risk that membership and levy listings do not align or are challenging to map.  |             |
| <b>Recommendation for City</b> | NA  |             |
| <b>Recommendation for BIA</b>  | <p>The BIA Board, through the Secretary, should ensure that there is a method for the Secretary to confirm that they have ensured the membership list is correct (e.g., a memo in the Board Agenda or a minute). At a minimum, this should precede the determination of any mailing list (notice of meeting invitations) for the AGM or any Special General Meeting called.</p> <p>The Secretary should ensure that evidence of the City Levy parties are included in the membership listing and that evidence thereof is retained to support the Secretary's confirmation of an accurate membership list. The BIA Board will need its own local unique method for ensuring local business tenants are represented.</p>   |             |
|                                |   |             |
| <b>3</b>                       | <b>Election Practices</b>   | <b>High</b> |
| <b>Finding</b>                 | <p>The Governance Bylaw requires several elements not detected as being in effect for the election of directors.</p> <p>These are specific items such as:</p> <ul style="list-style-type: none"> <li>- the appointed two people to act as election officials to conduct and oversee the election</li> <li>- only one individual was present for the counting of the ballots</li> </ul> <p>Other items required under the bylaw could not be corroborated as supporting evidence was unavailable. This includes elements such as:</p> <ul style="list-style-type: none"> <li>- formal outline of the actual voting process/requirements</li> <li>- voting occurred by secret ballot</li> <li>- method of how ballots were delivered to the election officials</li> <li>- appropriate storage and destruction of ballots</li> </ul> |             |
| <b>Implication</b>             | There is a risk of non-compliance with administrative items in the bylaw, which would require additional efforts and likely costs.  |             |
| <b>Recommendation for City</b> | The City should incorporate election practices as a topic for coverage in planned future BIA training.  |             |
| <b>Recommendation for BIA</b>  | The BIA should ensure the above practices are in place and adhered to the next time a Board Member is elected.  |             |
| <b>4</b>                       | <b>Ex-officio Board Member</b>  | <b>High</b> |

| #                              | Title   | Rating      |
|--------------------------------|---|-------------|
| <b>Finding</b>                 | The BIA directors appointed per the City Council Striking Committee listed all the Directors elected by the Ford City BIA members; however, the ex-officio member of the Board of Directors (permitted per the current BIA Constitution) was not included in the appointment listing. The ex-officio member is allowed as per the Ford City BIA constitution.   |             |
| <b>Implication</b>             | A mishap in the director's listing creates a conflict between the in-force pre-existing BIA Constitution and the Governance Bylaw.  |             |
| <b>Recommendation for City</b> | NA  |             |
| <b>Recommendation for BIA</b>  | The BIA should remove ex-officio directors from the constitution and Board as they are not permitted under the Governance Bylaw.  |             |
|                                |   |             |
| <b>5</b>                       | <b>Board Meeting Attendance</b>   | <b>High</b> |
| <b>Finding</b>                 | <p>In assessing compliance with the bylaw specification that every Director and Officer of the BIA attend each meeting, we noted that:</p> <ul style="list-style-type: none"> <li>- Four of the seven directors attended 100% of the meetings.</li> <li>- One attended 66.67 of the meetings.</li> <li>- One attended 55.56% of the meetings.</li> <li>- One attended 22.22% of the meetings.</li> </ul>  |             |
| <b>Implication</b>             | Non-compliance with this element of the Governance Bylaw should be anticipated as full attendance of all volunteers at all meetings might not reflect reality.  |             |
| <b>Recommendation for City</b> | While full attendance at every board meeting might be the ideal or expected standard in some governance models, it's not always realistic or necessary for a small organization or diverse board. A more flexible approach which allows for remote participation encourages active involvement and sets reasonable attendance goals, may help ensure effective governance without placing undue pressure on board members and should be considered. |             |
| <b>Recommendation for BIA</b>  | The BIA should monitor attendance and address issues preventing the attendance attainment metric from being attained.   |             |
|                                |   |             |
| <b>6</b>                       | <b>Governance and Conflict of Interest</b>  | <b>High</b> |

| #                              | Title   | Rating          |
|--------------------------------|---|-----------------|
|                                | <b>Training</b>   |                 |
| <b>Finding</b>                 | The Bylaw requires that every Director and Officer of the BIA attend the City's governance and conflict of interest training. In testing, we noted that such attendance was impossible as the training had not been offered by the City to BIA Directors and Officers since the Council Resolution regarding the Governance Bylaw was passed  |                 |
| <b>Implication</b>             | Risk of non-compliance with Governance Bylaw and potential for non-compliance or misunderstanding of the City's governance and conflict of interest requirements.   |                 |
| <b>Recommendation for City</b> | The City should provide the required City governance and conflict of interest training as soon as possible, at the beginning of every term, and in a way such that mid-term appointments can participate or attend.   |                 |
| <b>Recommendation for BIA</b>  | The BIA should ensure that all Directors comply with the attendance requirements per the Governance Bylaw.  |                 |
|                                |   |                 |
| <b>7</b>                       | <b>Business Expense Reimbursement</b>   | <b>High</b>     |
| <b>Finding</b>                 | There is no Board approved Travel and Business Expense Policy. While BIA representatives do not currently travel, nor are they reimbursed for travel expenses, various BIA members have incurred business expenses and have been reimbursed. In a sample of ten random payments, one did not have a supporting invoice. In testing compliance with the Governance Bylaw requirements, the testing of approval being obtained before payment processing could not be determined for the second signatory as this process is not used for items within the approved budget funds, and while explicit evidence of the 1st signatories advance approval was not detected the actual act of initiating and processing the payment implies that signatories approval. |                 |
| <b>Implication</b>             | Risk of non-compliance with Governance Bylaw. There is an increased risk that business expenses do not follow a standard purchasing/reimbursement practice that meets city and/or public expectations.  |                 |
| <b>Recommendation for City</b> | The City should establish and track compliance with a target date for the various BIAs to submit their Travel and Business Expense Policy for City approval.  |                 |
| <b>Recommendation for BIA</b>  | <p>The BIA should develop and implement a Travel and Business Expense policy that conforms to the Governance Bylaw requirements and business and expense reimbursement practices. Such a policy addresses travel expenses permitted as well as reimbursement of Directors for expenses incurred on behalf of the BIA.</p> <p>The BIA should generate and retain evidence of compliance with the Governance Bylaw, ensuring that the requisite approvals are obtained before funds are issued.</p>   |                 |
|                                |   |                 |
| <b>8</b>                       | <b>Board Agenda Publication</b>   | <b>Moderate</b> |

| #                              | Title  | Rating          |
|--------------------------------|--|-----------------|
| <b>Finding</b>                 | Publication of the Board Agendas on the website 72 hours before any Board meeting was not detected for past meetings. This is required by the Governance Bylaw section XII.iv.   |                 |
| <b>Implication</b>             | Risk of non-compliance with City Bylaw and the potential for reduced awareness of BIA members.   |                 |
| <b>Recommendation for City</b> | NA   |                 |
| <b>Recommendation for BIA</b>  | The BIA should comply with the Governance Bylaw and post Board Agendas on the web at least 72 hours before a meeting.  |                 |
|                                |  |                 |
| <b>9</b>                       | <b>AGM Agenda Circulation</b>  | <b>Moderate</b> |
| <b>Finding</b>                 | The Governance Bylaw requires advance notice of the Annual General Meeting, with the agenda and supporting materials attached. While notice was provided 16 days before the meeting, the agenda and supporting materials were issued seven days later. As such, the supporting materials for the meeting were not circulated 15 days in advance as required by the Governance Bylaw. |                 |
| <b>Implication</b>             | There is a risk of non-compliance with the Governance Bylaw and the potential for reduced awareness of BIA members.  |                 |
| <b>Recommendation for City</b> | NA   |                 |
| <b>Recommendation for BIA</b>  | The BIA should comply with the Governance Bylaw and circulate the required materials at least 15 days before the Annual General Meeting.   |                 |
|                                |  |                 |
| <b>10</b>                      | <b>Designation of Financial Institution</b>  | <b>Moderate</b> |
| <b>Finding</b>                 | Minutes indicating the approval of the current (in period) financial institution as the designated entity could not be readily located by the BIA.   |                 |
| <b>Implication</b>             | Risk of non-compliance with City Bylaw and inaccurate corporate records.<br><br>Complications could arise should the appointment or use of the current financial institution be called into question or challenged.  |                 |
| <b>Recommendation for City</b> | NA   |                 |
| <b>Recommendation for BIA</b>  | Where historical records of the appointment of the designated financial institution cannot be located, the BIA should ensure that minutes indicating the appointment of the financial institution are generated and that the record books are updated.   |                 |
|                                |  |                 |
| <b>11</b>                      | <b>Policies</b>  | <b>High</b>     |

| #                              | Title  | Rating      |
|--------------------------------|--|-------------|
| <b>Finding</b>                 | The following policies are not formally defined: sale and disposition of land, hiring, purchasing, or business and travel expenditures. Ford BIA has no employees, travel is not incurred on the BIA's behalf, and general purchasing activities are below the City policy level. The City should consider providing minimum expectations and a template related to these topics. Further, business expenses are incurred by Directors/members, and as such, the business expenditures policy is required.   |             |
| <b>Implication</b>             | Non-compliance with the Governance Bylaw.  |             |
| <b>Recommendation for City</b> | <p>The City should consider minor modifications of the Governance Bylaw section XVI.vii to determine whether the BIA should craft and implement policies related to employees and land disposition where there are no employees or land assets. Further, the City should consider incorporating Termination elements into the Hiring policy requirement.</p> <p>If the City desires BIAs to have all the policies listed in place now. Then, the City should consider updating the Governance Bylaw wording to require that BIAs also have a method for ensuring the policies not currently applicable are kept (1) up-to-date and (2) that awareness of the policy is maintained by the Board and the Executive Director (or equivalent).</p> <p>If the City desires BIAs to have the policies when relevant. Then, the Governance Bylaw wording should be updated to include trigger language such as "before initiating any recurring activities" or "before considering any land purchases" for the hiring and land disposition policies respectively.</p> |             |
| <b>Recommendation for BIA</b>  | <ol style="list-style-type: none"> <li>1. The BIA should design, implement and comply with a Purchasing Policy and a Travel and Business Expense Policy as purchasing occurs and directors are reimbursed for expenditures.</li> <li>2. The BIA should comply with the requirements that the City determines regarding its final action plan regarding policies regarding the Sale and disposition of Land and Hiring.</li> </ol>  |             |
|                                |  |             |
| <b>12</b>                      | <b>Minutes Oversight</b>   | <b>High</b> |
| <b>Finding</b>                 | There was no direct evidence of compliance with the following Governance Bylaw requirements: (1) the Secretary's oversight of the minute requirements and (2) no evidence of the required signing of the minutes by both the Secretary and the Chair.  |             |
| <b>Implication</b>             | Non-compliance with the Governance Bylaw.  |             |
| <b>Recommendation for City</b> | NA   |             |
| <b>Recommendation</b>          | Corporate minutes should be signed to ensure their authenticity, provide legal   |             |



| #                              | Title  | Rating          |
|--------------------------------|--|-----------------|
| <b>for BIA</b>                 | protection, and maintain good governance. Signing the minutes creates an official, final record of the proceedings, promotes accountability, and safeguards against potential legal issues. It also ensures that the documented decisions of the board and members are clear and accurate and can be relied upon for future reference or verification. |                 |
|                                |  |                 |
| <b>13</b>                      | <b>Results as Planned</b>  | <b>High</b>     |
| <b>Finding</b>                 | <p>We reviewed the 2023 financial statements and noted that a deficit was incurred, which was not in accordance with the approved budget, a reserve reduction plan or the Governance Bylaw.</p> <p>The drawdown or use of a Reserve reduction plan would also require a planned deficit, making any BIA non-compliant with the Governance Bylaw.</p>   |                 |
| <b>Implication</b>             | Non-compliance with Governance Bylaw. Long-term or severe non-compliance may result in significant financial losses or unintended use of any surpluses.  |                 |
| <b>Recommendation for City</b> | The City may wish to revise this requirement considering (1) planned/approved deficits, (2) a reserve reduction plan or (3) where deficits are identified and escalated to the City for approval in a specified advance manner.  |                 |
| <b>Recommendation for BIA</b>  | The BIA should ensure compliance with the Governance Bylaw.  |                 |
|                                |  |                 |
| <b>14</b>                      | <b>Variance Reporting</b>  | <b>Moderate</b> |
| <b>Finding</b>                 | The Bylaw requires that budget variances be reported to the board at least semi-annually; however, only one such variance report was noted during the scope period.  |                 |
| <b>Implication</b>             | Non-compliance with Governance Bylaw. Long-term or severe non-compliance may result in unexpected and/or unnecessary variances.  |                 |
| <b>Recommendation for City</b> | NA   |                 |
| <b>Recommendation for BIA</b>  | The BIA should report budget variances to the board on a semi-annual basis.  |                 |
|                                |  |                 |
| <b>15</b>                      | <b>Reserve Opening Balance</b>   | <b>High</b>     |
| <b>Finding</b>                 | At the end of 2022, there was a \$41,762 accumulated surplus. The 2024 budget and 2023 projected actuals circulated do not include this balance as an opening accumulated surplus. However, the budget does indicate that the 2024 projected deficit will be attributed to the accumulated surplus account.  |                 |

| #                              | Title  | Rating      |
|--------------------------------|--|-------------|
| <b>Implication</b>             | Opening balance information presented may not be accurate.   |             |
| <b>Recommendation for City</b> | NA   |             |
| <b>Recommendation for BIA</b>  | Management should ensure reporting presents information wherein the opening balance of accumulated surplus for each year should equal the closing balance of the prior year.   |             |
|                                |  |             |
| <b>16</b>                      | <b>Reserve Usage Plan</b>  | <b>High</b> |
| <b>Finding</b>                 | The Reserve Balance exceeds 25% of the annual levy, and the Governance Bylaw, therefore, requires that “the Board is required to develop a plan that will expend the funds, with said plan being presented as part of the annual budget submission for approval by Council.” However, no such plan was detected.   |             |
| <b>Implication</b>             | Non-compliance with Governance Bylaw. Reserve balances may not reflect the needs of the BIA and/or the City.   |             |
| <b>Recommendation for City</b> | The City should establish, and track compliance with, a target date for the applicable BIA's to submit their plan for managing their reserves to the City.   |             |
| <b>Recommendation for BIA</b>  | The BIA should document its plan to expend reserve funds beyond the limit and include this plan in its submission to Council for approval.   |             |
|                                |  |             |
| <b>17</b>                      | <b>Reserve Presentation</b>  | <b>High</b> |
| <b>Finding</b>                 | The Financial Statements include (1) an accumulated surplus on the Statement of Financial Position with a note regarding the breakout, (2) a Statement of Net Change in Financial Assets, (3) a note indicating there is a positive balance in a “Future Development Reserve” and a negative in the “Other” reserve. It is unclear what the “Other” reserve is and why it is negative. Further, to cover the in-year deficit, funds appear to be used from the “Future development” as the “Other” was in an unfavourable position at the beginning of the year. An allocation of this nature should be taken from a general operating reserve per the Governance Bylaw. |             |
| <b>Implication</b>             | Non-compliance with Governance Bylaw. The presentation of Reserve information may not be apparent or understood.   |             |
| <b>Recommendation for City</b> | NA   |             |
| <b>Recommendation for BIA</b>  | The nature and intended use of each reserve should be apparent from the name and intended use, possibly further in the Reserve Expenditure plan, if applicable. Obscure reserve names such as "Other" should be avoided. Negative reserves should be avoided and require Board and Council approval.   |             |
|                                |  |             |

| #                              | Title   | Rating |
|--------------------------------|---|--------|
| 18                             | Approval of Expenditures  | High   |
| <b>Finding</b>                 | Items within the approved budget are reimbursed without acquiring additional approvals based on the approval of the budget. Items outside or beyond the budget require approval. As such, in the sample selected, the Bylaw requirement for payment approval by two of the authorized personnel was not detected.   |        |
| <b>Implication</b>             | Non-compliance with Governance Bylaw. Having only one approver increases the risk of unauthorized payments, error or misuse.  |        |
| <b>Recommendation for City</b> | NA  |        |
| <b>Recommendation for BIA</b>  | The BIA should acquire and retain evidence of the requisite authorization from two authorized signatories before issuing payment, as per the bylaw (this may be done in written format, via email approval, or minuted as part of a board meeting). The approval should be evidence, and there should be some evidence of the timing of authorization to indicate that it was acquired before issuing payment.  |        |
|                                |   |        |
| 19                             | Expenditure to Closely Related Parties  | High   |
| <b>Finding</b>                 | No formal control mechanisms exist for payments to closely related parties. Signatory awareness is the primary control, emphasizing the knowledge of the Executive Director and the Chair. This was confirmed via management representation.  |        |
| <b>Implication</b>             | Non-compliance with Governance Bylaw. Inappropriate or misuse of funds may occur.   |        |
| <b>Recommendation for City</b> | NA  |        |
| <b>Recommendation for BIA</b>  | The BIA should acquire formal evidence of agreement of (1) intent to comply and (2) annual attestation of compliance with this Governance Bylaw requirement from all authorized signatories.  |        |
|                                |   |        |
| 20                             | Bank Reconciliation Practices   | High   |
| <b>Finding</b>                 | <p>Formal bank reconciliations are not prepared. This is due to the approach of using e-transfers rather than cheques and depositing funds on the day of receipt—no outstanding items should exist. Deposits are promptly made, often electronically, and payments are e-transfers; as such, outstanding bank items are not anticipated.</p> <p>A financial summary is prepared and circulated.</p> <p>There was no evidence of reviewing or discussing the financial summary with the Treasurer before Board meetings. Since bank reconciliations are not prepared, no</p> |        |

| #                              | Title  | Rating      |
|--------------------------------|--|-------------|
|                                | evidence of reviewing them is available, nor is the associated approval by the Board possible.   |             |
| <b>Implication</b>             | Non-compliance with the Governance Bylaw. The absence or untimely preparation and review of bank reconciliations increases the risk of unauthorized payments, lost deposits, errors, and misuse of funds.  |             |
| <b>Recommendation for City</b> | NA   |             |
| <b>Recommendation for BIA</b>  | Bank reconciliations should be completed by a designated individual(s) other than the Treasurer. The Treasurer should independently review the bank reconciliations, ideally monthly or at least quarterly. After the treasurer's review, bank reconciliations should be presented to the Board for approval as part of the minuted agenda.<br><br>Evidence of the date and occurrence of the Treasurer's review of the Bank Reconciliation should also be retained. |             |
|                                |  |             |
| <b>21</b>                      | <b>Records Retention</b>   | <b>High</b> |
| <b>Finding</b>                 | Based on the requests made in the general review of the bylaw compliance review, appropriate record and retention protocols are in place for recent records. Historical records over two years old were more challenging to acquire or were not acquired. Several of these were corporate minutes that should have been retained.  |             |
| <b>Implication</b>             | Non-compliance with Governance Bylaw. Missing minutes and records can have serious legal, financial, operational, and reputational consequences.   |             |
| <b>Recommendation for City</b> | NA   |             |
| <b>Recommendation for BIA</b>  | The BIA should ensure a robust system for recording and storing key documents is in place.   |             |
|                                |  |             |
| <b>22</b>                      | <b>Bookkeeping Agreement</b>   | <b>High</b> |
| <b>Finding</b>                 | Other than considering implied approval via payment of bookkeeper fees, evidence of the board's approval of the bookkeeper was unavailable. No formal agreement of services, terms and conditions, and fees were detected.   |             |
| <b>Implication</b>             | Non-compliance with Governance Bylaw. Increased risk of challenges and lack of clarity/accountability should a dispute or disagreement arise.  |             |
| <b>Recommendation for City</b> | NA   |             |
| <b>Recommendation for BIA</b>  | The BIA should ensure that the bookkeeping service engaged has a formal agreement of services, terms and conditions, and fees.   |             |
|                                |  |             |

| #                              | Title  | Rating |
|--------------------------------|--|--------|
| 23                             | Financial Statement Submission   | High   |
| <b>Finding</b>                 | The BIA did not submit the annual report with financial statements within the timeframe required by the City (April 26, 2024). While management appears to have submitted the bookkeeping package to the external auditors in mid-to-late February 2024, the audited financial statements were received on July 23/24 and issued to the City on August 20, 2024. |        |
| <b>Implication</b>             | Non-compliance with Governance Bylaw. Late reporting may result in reduced transparency, inability to respond to challenges, and timing impacts on overall City financial reporting.   |        |
| <b>Recommendation for City</b> | The City should review the various BIA's financial reporting challenges to identify success factors and root causes and understand the obstacles creating delays in overall reporting.   |        |
| <b>Recommendation for BIA</b>  | The BIA should quickly escalate challenges and concerns related to financial reporting to their City contact in a formal manner.   |        |
|                                |  |        |
| 24                             | HST Submission   | High   |
| <b>Finding</b>                 | The Governance Bylaw requires timely submission of the HST filings. However, the 2023 filing, a rebate, was not filed for more than 11 months after the period ended.  |        |
| <b>Implication</b>             | Non-compliance with Governance Bylaw. Loss of interest and reduced cash flow.  |        |
| <b>Recommendation for City</b> | NA   |        |
| <b>Recommendation for BIA</b>  | The BIA should ensure annual HST filings occur within 3 months or less of year-end.  |        |
|                                |  |        |

## Appendix A - Compliance Assessment

|   | Bylaw Element (Supplemental Test Activity)   | Summary of Results  | Assessment                 | Finding Ref. # |
|---|--|---|----------------------------|----------------|
|   | <b>Application</b>   |   |                            |                |
| 1 | <p>I. iv. This bylaw shall not be amended without the approval of Council.</p> <p>(Review the minutes to identify if any elements passed by the BIA would have modified the Council resolution. Consider whether corporate records include the Council bylaw and amend or supersede prior bylaws/constitutions of the BIA.)</p>  | <p><i>Reviewed posted minutes after City Council passing of the "The City of Windsor Business Improvement Area Governance Bylaw". Noted no items which would be considered contrary to the Council resolution as it was adopted in full and without amendment. The BIA Constitution was provided but not signed. The original constitution was signed a while ago and was not readily available. Management representation obtained.</i></p>  | Compliant - Evidence Based | 1              |
|   | <b>Membership</b>  |   |                            |                |
| 2 | <p>IV ii. In addition to Members, a BIA may also include Non-Voting Members as defined in this Bylaw. Non-Voting Members must be approved by a majority of the Members and their term of Non-Voting Membership coincides with each term of Council.</p> <p>(Acquire a copy of the current listing of all Members and Non-voting Members. Select a sample of Non-Voting members and tie to evidence that the Non-voting member was approved by a majority of voting members.)</p> | <p><i>General membership does not include non-voting members; an ex-officio member is on the board. The ex-officio member is in accordance with the Constitution (8. A. iii.). The Constitution requires that these ex-officio members be non-voting members of the Board of Management based on a vote of the Board and on the appointment of the City Council. Minutes indicating a board vote to approve the sitting ex-officio member were not detected, nor was the individual listed on the Council appointment list.</i></p> | Compliant - Evidence Based |                |

|   | Bylaw Element (Supplemental Test Activity)  | Summary of Results  | Assessment                  | Finding Ref. # |
|---|---|---|-----------------------------|----------------|
| 3 | <p>IV iii. A list of all Members and Non-Voting Members shall be kept by the Secretary. The Secretary shall be responsible to ensure the Membership List is current.</p> <p>(Acquire evidence that the Secretary is responsible for and that the authoritative membership list comes from the Secretary.)</p> | <i>Acquired copy of membership listing. The City provides the business levy list for the BIA boundaries. The President and Executive Director manage the membership list by correlating contact names, emails, etc, to the levy list. There is no evidence that the Board Secretary maintains the list.</i> | Partially Compliant         | 2              |
| 4 | <p>IV iv. Every Member is entitled to:</p> <p>a. Notice of all General Meetings</p> <p>(Select a sample of Members and tie to evidence that for each General Meeting, they received notification with advance notice)</p>   | <i>Selected a sample and noted that the notice was sent on Nov. 6/23 for the Nov. 22/23 meeting. A reminder was sent on Nov. 10/23.</i>   | Compliant - Evidence Based  |                |
| 5 | <p>IV iv. Every Member is entitled to:</p> <p>c. Cast one vote on each question arising at any General Meeting.</p> <p>(Understand the BIA approach to voting at General Meetings and determine the testing approach.)</p>  | <i>Given the voting method and evidence retention practices, independent verification of this control could not be ascertained at the time of filing. Management's representation as to the practice was obtained.</i>  | Complaint - Mngmt Assertion |                |
| 6 | <p>IV iv. Every Member is entitled to:</p> <p>d) Eligibility to hold any office of the Board of Management.</p> <p>(Review a BIA Board of Management list and determine if each individual is a Member and aligns with the bylaw.)</p>  | <i>Reviewed the BIA director's listing (tied to Council Striking Committee minutes) and confirmed that each director is a member of the BIA. The ex-officio member of the Board, permitted per the constitution, was not included in the striking committee report for Council approval.</i>                | Compliant - Evidence Based  | 13             |

|   | Bylaw Element (Supplemental Test Activity)   | Summary of Results   | Assessment                  | Finding Ref. # |
|---|--|--|-----------------------------|----------------|
| 7 | <p>IV. v. Every Non-Voting Member is entitled to receive notice, to attend, and to be heard at all General Meetings, but cannot vote on any issue.</p> <p>(Review the procedure for voting at the General Meeting to determine how vote integrity is maintained (i.e., each Member has only one vote, and Non-voting Members cannot cast votes).)</p>  | <p><i>In assessing voting integrity, it was noted that the process is not documented but depends on personnel—specifically the Executive Director (not a member) who ran it. As described by management, the process involved sending an email notice to members. Roughly 30 people attended the meeting, where paper ballots were used for voting. The Executive Director collected and tallied the votes, disclosed them to the attendees, and ensured the results were recorded in the minutes. This was confirmed via management representation.</i></p>                                   | Complaint - Mngmt Assertion | 3              |
|   | <b>VI. BOARD PROCEDURES</b>  |  |                             |                |
| 8 | <p>VI. i. The Board shall adopt the election procedures set out in Schedule “A” to this bylaw.</p> <p>ii. The Board shall adopt the rules of procedure set out in Schedule “B” to this bylaw.</p> <p>iii. These procedures shall not be amended without the approval of Council.</p> <p>(Determine if Schedule A and B have been adopted by the Board and, if there have been any amendments, that prior Council approval exists.)</p> | <p><i>Schedules A and B were adopted by City Council, which was the Acting Board for the BIAs at that time. As such, the BIA Governance By-Law and supporting schedules became part of each BIA’s governance structure; however, some BIAs have prior Constitutions, bylaws and procedures. This is the case for Ford City BIA, and the language of the BIA Governance By-Law does not appear to repeal or supersede these prior governing elements. Further, there was no evidence of subsequent repeal/superseding nor analysis to consider potential conflicting elements detected.</i></p> | Compliant - Evidence Based  | 14             |



|    | Bylaw Element (Supplemental Test Activity)  | Summary of Results  | Assessment                  | Finding Ref. # |
|----|---|---|-----------------------------|----------------|
|    | VII. APPOINTMENT OF DIRECTORS   |   |                             |                |
| 9  | <p>VII. i. Directors are appointed to the Board by Council following the processes prescribed in the Municipal Act for a term of four years, mirroring the term of Council. Following the election process, the BIA shall present its nominees to City Council for appointment.</p> <p>v. Each BIA may elect a minimum of five and a maximum of nine Director nominees. The number of Director nominees shall be determined by the Board and approved by the Members.</p> <p>(Determine if the number of officer positions is within the boundaries and if they were elected within the 1 month or appointment by Council or in the first of the new year as applicable.)</p> | <p><i>There were seven elected directors and one ex-officio member of the Board. This is within the requirements of the Governance Bylaw. The term is aligned with the Governance Bylaw and was approved by City Council within 1 month of the creation of the Governance Bylaw. The ex-officio member of the Board was not listed on the Council resolution.</i></p>   | Partially Compliant         | 13             |
| 10 | <p>VII. i. Council members appointed to the Board shall be entitled to vote at Board meetings, but shall not be entitled to vote at General Meetings unless they are also Members of the BIA.</p> <p>(Understand management's process to ensure appropriate voting procedures.)</p>   | <p><i>In assessing voting integrity, it was noted that the process is not documented but depends on personnel - specifically the Executive Director (not a member); who ran the voting process. As described by management, the process involved sending an email notice to members, and roughly 30 people attended the meeting where paper ballots were used for voting. The Executive Director collected and tallied the votes, disclosed them to the attendees and ensured the results were recorded in the minutes. Management representation obtained.</i></p> | Complaint - Mngmt Assertion | 3              |

|    | Bylaw Element (Supplemental Test Activity)   | Summary of Results   | Assessment                 | Finding Ref. # |
|----|--|--|----------------------------|----------------|
|    | <b>VIII. APPOINTMENT OF OFFICERS</b>   |  |                            |                |
| 11 | <p>VIII. i. Within one month of the appointment of the Board, and at the first meeting of each new year, as the case may be, the Board shall hold a meeting to appoint the following Officers from among the Directors:</p> <ul style="list-style-type: none"> <li>a. Chair</li> <li>b. Vice-Chair</li> <li>c. Treasurer</li> <li>d. Secretary</li> </ul> <p>(Review the board minutes where Officers were selected and determine if the appointment occurred within permitted offices and in the required timeframe.)</p> | <p><i>Reviewed evidence of Board minutes demonstrating that the election of Officers occurred within 1 month of the Board appointment following Council's passing of the Governance Bylaw.</i></p>   | Compliant - Evidence Based |                |
| 12 | <p>i. Every Director and Officer shall:</p> <ul style="list-style-type: none"> <li>c. Prepare for and attend all meetings;</li> </ul> <p>(Review meeting minutes and determine if every Director and Officer of the BIA attended each meeting.)</p>  | <p><i>Given the Governance Bylaw language, the member-elected Directors and the specified Council representatives are appointed to the BIA Board by Council, and all appointees are eligible to vote at Board meetings. All appointees were considered for attendance in this control where. Based on a review of the Board minutes, it was noted that:</i></p> <p><i>Four of the seven directors attended 100% of the meetings</i></p> <p><i>One attended 66.67%, and one attended 55.56% of the meetings.</i></p> <p><i>The Council Representative attended 22.22% of the meetings</i></p> | Partially Compliant        |                |

|    | Bylaw Element (Supplemental Test Activity)  | Summary of Results   | Assessment                 | Finding Ref. # |
|----|---|--|----------------------------|----------------|
|    | <b>IX. DUTIES OF DIRECTORS AND OFFICERS</b>   |  |                            |                |
| 13 | <p>i. Every Director and Officer shall:<br/>d) Attend governance and conflict of interest training provided by the City at least once per term.</p> <p>(Review evidence that every Director and Officer of the BIA attended the City's governance and conflict of interest training at least once in a term.)</p>   | <i>The BIA couldn't be compliant with this in the scope period. As of April 30, 2023, the City has not yet offered this training for BIA participants to attend.</i>   | Not Compliant              |                |
|    | <b>XI. REMUNERATION</b>   |  |                            |                |
| 14 | <p>i. No remuneration shall be paid to any Director for acting as a member of the Board of a BIA.</p> <p>ii. Any reimbursement of Directors and Officers for out-of-pocket expenses shall be done in accordance with the BIA's approved Travel and Business Expense Policy.</p> <p>(Acquire a listing of all payments made to the Directors, Officers, and affiliated entities. Review or select a sample to ensure payments relate to applicable City travel and business expenditures.)</p> | <i>Reviewed the bank statements and listed all payments to named Directors and their known business. A sample of payments made to Directors or related entities was selected. Acquired supporting invoices and evidence of e-transfer. Expenses aligned to the nature of the events within the BIA at the time and did not relate to travel but BIA business. It should be noted that there is no Board approved Travel and Business Expense Policy. While BIA representatives are not currently reimbursed for travel expenses, business expenses have been incurred by various BIA parties and have been reimbursed.</i> | Partially Compliant        |                |
|    | <b>XII. BOARD OF MANAGEMENT MEETINGS</b>  |  |                            |                |
| 15 | <p>XII. i. The Board shall meet at least once every two months.</p> <p>(Review meeting minutes to determine if the Board met at least every 2 months.)</p>  | <i>Reviewed the Board minutes and noted that the Board met every two months (at least) (nine meetings were reported from May 2023 through April 2024). Two of the meetings slightly exceed a numerical count of 60 days, being 63 days apart; these were conducted in alignment with the spirit of the bylaw.</i>  | Compliant - Evidence Based |                |

|    | Bylaw Element (Supplemental Test Activity)   | Summary of Results  | Assessment                  | Finding Ref. # |
|----|--|---|-----------------------------|----------------|
| 16 | XII. iii. Notice of each regular Board meeting shall be provided at least five Business Days in advance of the meeting.<br><br>(Review evidence of Board meeting notification to determine if it is communicated at least 5 days in advance.)  | <i>A review of the minutes posted indicates that the next meeting date is included in the previous agenda (month and date) and posted to the website in advance.</i>  | Compliant - Evidence Based  |                |
| 17 | XII. iv. The agenda and all supporting documents for each regular Board Meeting shall be provided to all Directors and the City Clerk not less than seventy-two hours before the hour appointed for the holding of such meeting, including the provision of all relevant documents.<br><br>(Review evidence to determine if the meeting agenda and supporting documents were provided to all Directors and the City Clerk at least 72 hours in advance.) | <i>Acquired copies of agenda submission to Directors and City Clerk and validated that submission agenda was 72 hours, or more, before the associated meeting.</i>  | Compliant - Evidence Based  |                |
| 18 | XII. vi. The agenda shall be posted to the BIA's website.<br><br>(Review the BIA website to determine if the agenda is published on the website.)  | <i>Reviewed the website and noted past agendas posted. Given the nature of the website updates, it was not possible to retroactively determine if past agendas were previously published in advance. Confirmed via management representation.</i> | Complaint - Mngmt Assertion | 15             |
| 19 | XII. vi. The agenda shall be posted to the BIA's website.<br>vii. Meeting and voting shall be public unless otherwise permitted by the Municipal Act.<br><br>(Review voting to identify if any votes did not occur in public. If there were, review evidence/justification that the Municipal Act permits such.)   | <i>Reviewed minutes from May 2023 through September 2024. The voting occurred publicly, with no in-camera sessions noted and no non-public vote noted.</i>  | Compliant - Evidence Based  |                |

|    | Bylaw Element (Supplemental Test Activity)   | Summary of Results   | Assessment                 | Finding Ref. # |
|----|--|--|----------------------------|----------------|
|    | <b>XIII. ANNUAL GENERAL MEETING</b>  |  |                            |                |
| 20 | <p>XIII. i. The Board shall call an annual General Meeting in each fiscal year, the agenda for which shall include but not be limited to:</p> <ul style="list-style-type: none"> <li>a. minutes of the last General Meeting;</li> <li>b. annual report on programme and accomplishments;</li> <li>c. annual financial report for the current fiscal year and audited financial statement for the prior fiscal year; and,</li> <li>d. proposed budget for the following year.</li> </ul> <p>iii. The notice shall include the agenda and all supporting documents.</p> <p>(Review evidence that the AGM was held once in the year and that the required agenda was included.)</p> | <p><i>Reviewed evidence indicating that an AGM occurred in 2023 and supporting evidence indicating (1) advance notice of meeting date to members, (2) circulation of agenda with supporting materials (a-d), and minutes of meeting where the required items were presented/discussed, among other items. Observed evidence of the 2024 AGM through a review of minutes.</i></p> | Compliant - Evidence Based |                |
| 21 | <p>XIII. ii. The Board shall distribute notice of the annual General Meeting to all members and Non-Voting Members at least fifteen calendar days before the annual General Meeting.</p> <p>(Review evidence that notice was provided to members per the timeline.)</p>  | <p><i>Reviewed evidence that email notice was issued 16 days before the AGM date. A random sample of members was selected to ensure they were on the distribution list.</i></p>  | Compliant - Evidence Based |                |
| 22 | <p>XIII. iii. The notice shall include the agenda and all supporting documents.</p> <p>(Review evidence that advance notice included the supporting documents required.)</p>   | <p><i>The initial notice did not include the agenda and supporting documents; however, they were circulated before the meeting. Reviewed the email notice and noted that the agenda and supporting documents were circulated later. Reviewed emails indicating that the agenda and supporting documents were circulated 7 days before the AGM.</i></p>                           | Partially Compliant        | 16             |

|    | Bylaw Element (Supplemental Test Activity)   | Summary of Results   | Assessment                 | Finding Ref. # |
|----|--|--|----------------------------|----------------|
|    | <b>XIV. SPECIAL GENERAL MEETINGS</b>   |  |                            |                |
| 23 | <p>i. The Board may hold special General Meetings for any purpose on any date and at any time and at any place within Windsor.</p> <p>ii. The Board shall distribute notice of the special General Meeting to all Members and Non-Voting Members at least fifteen calendar days before the meeting.</p> <p>iii. The notice shall include the agenda and all supporting documents.</p> <p>(Review evidence that advance notice of 15 days, with agenda and support, for any special meeting was provided to all members and all non-voting members.)</p>  | <i>No special meetings were noted in a review of minutes nor in discussion with Board contacts.</i>  | Not Applicable             |                |
|    | <b>XV. RECORDS AND INFORMATION</b>   |  |                            |                |
| 24 | <p>i. The Board shall maintain minutes of every meeting of the Board and shall forward true copies of such minutes to all Directors and the City Clerk as soon as practicable after the meeting.</p> <p>ii. Minutes of any Board meetings that are open to the public shall be posted on the BIA's website as soon as practicable following the meeting.</p> <p>(Review evidence of meeting minutes being (1) submitted to the City Clerk and all Directors promptly, (2) posted on the website and (3) that members and non-voting members are made aware of the decisions and actions of the Board.)</p> | <p><i>Reviewed published minutes and they appear to represent meetings published.</i></p> <p><i>Reviewed evidence which indicates that minutes were submitted to the Directors and to the City Clerk in a timely manner.</i></p> <p><i>Reviewed evidence that minutes are posted to the website promptly so that members and non-voting members can review and be aware of the decisions and actions of the Board.</i></p> | Compliant - Evidence Based |                |
|    | <b>XVI. FINANCIAL ADMINISTRATION</b>   |  |                            |                |
| 25 | <p>i. The fiscal year for the BIA shall be the calendar year.</p> <p>(Determine fiscal year alignment.)</p>  | <i>Financial statements indicate that the year-end is December 31.</i>   | Compliant - Evidence Based |                |

|    | Bylaw Element (Supplemental Test Activity)   | Summary of Results  | Assessment                  | Finding Ref. # |
|----|--|---|-----------------------------|----------------|
| 26 | <p>ii. The Board shall adhere to the financial accountability requirements set out in Schedule "C" to this bylaw.</p> <p>(Determine if the Board has adopted Schedule 'C' practices.)</p>  | <i>See controls assessed in #50 through #80 below.</i>  | Partially Compliant         | See below      |
| 27 | <p>iv. The Board shall prepare a proposed budget for each fiscal year by the date and in the form required by the City.</p> <p>(Review evidence that a budget was prepared in accordance with Schedule C, discussed with members and non-voting members, and submit it to the City by the required date.)</p>  | <i>Reviewed the budget submitted to the members at the AGM and to the City Clerk. The budget format aligns with the outline set in Schedule 1 of the Governance Bylaw.</i>  | Compliant - Evidence Based  |                |
| 28 | <p>v. The proposed annual budget shall be presented to the Membership for information. The Board shall provide Member access to approved budget Documents.</p> <p>(Review evidence to determine if the approved budget was provided and available to Members.)</p>   | <i>Reviewed evidence that the budget was circulated to members before the AGM, that the budget was presented at the AGM, and that the minutes posted on the website reflect the passing of the budget. Members can request a copy of the final budget from the Board.</i> | Compliant - Evidence Based  |                |
| 29 | <p>vii. The Board shall designate a financial institution for the deposit of funds on behalf of the BIA.</p> <p>(Review evidence of the BIA board's approval of the current financial institution.)</p>  | <i>Management could not readily locate evidence of the approval of the financial institution. Acquired management representation that the Financial institution used during the scope period was the Board designated institution.</i>                                    | Complaint - Mngmt Assertion |                |
| 30 | <p>viii. The Board shall submit its annual report for the preceding year to Council on the date and in the form required by the City.</p> <p>ix. The annual report shall include audited financial statements.</p> <p>(Determine if the Board submitted the annual report in the form and the required timeframe, including audited financial statements.)</p> | <p><i>The City submission date was specified as DATE.</i></p> <p><i>The board submitted the AGM minutes and the AGM-approved budget to the City on November 23, 2023. The financial statements were submitted to the City on DATE.</i></p>                                | Compliant - Evidence Based  |                |

|    | Bylaw Element (Supplemental Test Activity)   | Summary of Results   | Assessment                 | Finding Ref. # |
|----|--|--|----------------------------|----------------|
|    | <b>XVII. APPLICABLE POLICIES</b>   |  |                            |                |
| 31 | The BIA shall establish policies related to:<br>1. sale and disposition of land;<br><br>(Review evidence of the policy's existence, reasonability, and approval.)  | <i>The BIA does not own any land and does not require a policy on the sale and disposition of land. Confirmed via review of financial statements and management representation.</i>  | Not Compliant              |                |
| 32 | The BIA shall establish policies related to:<br>2. hiring of employees;<br><br>(Review evidence of the policy's existence, reasonability, and approval.)   | <i>The BIA does not have employees and, as such, does not require a policy on the sale and disposition of land. A review of financial statements and management representation confirmed this.</i>   | Not Compliant              |                |
| 33 | The BIA shall establish policies related to:<br>3. procurement of goods and services.<br><br>(Review evidence of the policy's existence, reasonability, and approval.)   | <i>There is no formal policy regarding the procurement of goods and services. According to management representation, the board generally follows a common approach.</i>   | Not Compliant              |                |
| 34 | v. The BIA shall establish a policy related to Travel and Business Expenses, which the City shall approve.<br><br>(Review evidence of the policy's existence, reasonability, and approval.)  | <i>A formal policy regarding travel and business expenses does not currently exist. Travel is not listed among the expenses, as per the financial statements. However, various BIA parties incurred business expenses and were reimbursed.</i> | Not Compliant              |                |
|    | <b>Schedule A - Election Procedures</b>  |  |                            |                |
| 35 | I. DATE<br>i. The Board shall select a date and time to conduct the election of Director nominees. The election shall not be conducted on a holiday or a date observed as a holiday by the City.<br><br>(Review the date of the most recent Director election and determine compliance with requirements.) | <i>The Board specified the date and time for the election as November 22, 2023, at 6 p.m., which was not a holiday.</i>  | Compliant - Evidence Based |                |



|    | Bylaw Element (Supplemental Test Activity)   | Summary of Results  | Assessment     | Finding Ref. # |
|----|--|---|----------------|----------------|
| 36 | <p>II. NOTICE OF ELECTION DATE AND CALL FOR NOMINATIONS</p> <p>i. Written notice of the election of Director nominees and a call for candidates shall be provided to all Members no later than thirty days before the date fixed for the election. The notice shall specify the time, date, and location of the election. Written notice shall also be provided to the City Clerk at <a href="mailto:clerks@citywindsor.ca">clerks@citywindsor.ca</a>.</p> <p>(Review evidence of BIA compliance with the nomination process.)</p> | <i>Retroactive testing was not conducted, as the election requirements were defined after the current board election. The Board should consider these requirements when planning the next election.</i> | Not Applicable |                |
| 37 | <p>II. NOTICE OF ELECTION DATE AND CALL FOR NOMINATIONS</p> <p>ii. In addition to written notice, the time, date, and location of the election, as well as the call for nominations shall be advertised through public and/or social media commencing no later than fourteen days before the election.</p> <p>(Review evidence of BIA compliance with the nomination process.)</p>   | <i>Retroactive testing was not conducted, as the election requirements were defined after the current board election. The Board should consider these requirements when planning the next election.</i> | Not Applicable |                |

|    | Bylaw Element (Supplemental Test Activity)  | Summary of Results   | Assessment     | Finding Ref. # |
|----|---|--|----------------|----------------|
| 38 | <p>III. NOMINATIONS</p> <p>i. Nomination forms shall be made available at the BIA Office, on the BIA website, and at any other location specified by BIA. These locations will be advertised in the call for nomination notices.</p> <p>ii. Each Member may nominate one candidate.</p> <p>iii. Members and Non-Member Nominees are eligible to be nominated.</p> <p>iv. Nomination day will be seven days before the date of the election.</p> <p>v. A person may withdraw their nomination by filing a written withdrawal with the BIA before nomination day.</p> <p>vi. Eligibility of all nominees must be verified by the Board.</p> <p>vii. If at 4:00 p.m. on the Monday following nomination day, the number of approved candidates for an office is the same as or less than the number to be elected, the BIA shall declare the candidate or candidates elected by Acclamation.</p> <p>(Review evidence of BIA compliance with the nomination process.)</p> |  | Not Applicable |                |
| 39 | <p>IV. VOTING</p> <p>i. The BIA is responsible to conduct its own election. The Board shall appoint two people to act as election officials to conduct and oversee the election.</p> <p>(Review evidence of the appointment of two people to act as election officials to conduct and oversee the election.)</p>  | <p><i>Retroactive testing was not conducted, as the election requirements were defined after the current board election. The Board should consider these requirements when planning the next election.</i></p> <p><i>Given the number of attendees at some of the BIA AGMs, the City should provide guidance on whether these are required to be members or not. If they are to be members, are they eligible to vote? How should compensation be addressed for members or acquired parties?</i></p> | Not Applicable |                |

|    | Bylaw Element (Supplemental Test Activity)  | Summary of Results   | Assessment                  | Finding Ref. # |
|----|---|--|-----------------------------|----------------|
| 40 | <p>IV. VOTING</p> <p>ii. Each Member is entitled to one vote regardless of the number of properties that the Member may own or lease in the BIA.</p> <p>iii. Every Member that is a corporation or partnership has one vote regardless of the number of shareholders or partners comprising the Member.</p> <p>(Understand the BIA's approach to maintaining voting integrity.)</p>   | <p><i>Retroactive testing was not conducted, as the election requirements were defined after the current board election. The Board should consider these requirements when planning the next election.</i></p> <p><i>Historically, the Board voted using ballots distributed to eligible voters based on the knowledge of the Board. Confirmed via management representation</i></p>   | Complaint - Mngmt Assertion |                |
| 41 | <p>IV. VOTING</p> <p>iv. Voting shall take place by secret ballot.</p> <p>v. After the poll closes the sealed ballots are to be delivered to the election officials.</p> <p>vi. A candidate has the right to appoint a representative to be present during the counting of all ballots.</p> <p>vii. The Election Officials shall count all ballots and post the results on the BIA Website.</p> <p>(Determine if voting occurred by secret ballot. Determine if the sealed ballots were delivered to election officials. Determine if ballot results were posted to the website.)</p> | <p><i>Retroactive testing was not conducted, as the election requirements were defined after the current board election. The Board should consider these requirements when planning the next election.</i></p> <p><i>Historically, the Board voted using ballots administered, collected, counted, and reported on by the Executive Director. Final results were posted to the website, denoting the successfully elected parties as noted in the minutes. Confirmed via management representation</i></p> | Complaint - Mngmt Assertion |                |
| 42 | <p>V. COUNCIL APPOINTMENT</p> <p>i. The list of elected nominees for the Board shall be forwarded to Council for the next available agenda to recommend appointment as Directors.</p> <p>(Review evidence of Council approval of director appointment.)</p>   | <p><i>The Board currently in place is by the appointment of Council through the Striking Committee. The Ford City BIA Constitution provides for the appointment of Ex-officio/(non-voting) personnel to be appointed to the Board. In the minutes, one such individual was noted as often in attendance and permitted under the Constitution. However, this individual was not listed among the Council appointees.</i></p>  | Complaint - Mngmt Assertion | 13             |

|    | Bylaw Element (Supplemental Test Activity)  | Summary of Results  | Assessment          | Finding Ref. # |
|----|---|---|---------------------|----------------|
|    | <b>SCHEDULE B - RULES OF PROCEDURE AND DUTIES OF OFFICERS</b>   |   |                     |                |
| 43 | <p>iii. The Secretary shall: ensure that the minutes of each meeting (Board meetings and General Meetings) are recorded and presented at the following meeting for adoption. The minutes shall record:</p> <p>i. the place, date, and time of the meeting;<br/> ii. the name of the chair of the meeting;<br/> iii. the names of all Directors present at Board meetings and Members and Non-Voting Members present at General Meetings;<br/> iv. the names of those Directors not present at Board meetings;<br/> v. the names of all others present at the meeting;<br/> vi. the adoption of the minutes of the prior meeting; and<br/> vii. all other motions, decisions, and other proceedings of the Board or General Meeting, as the case may be.</p> <p>e. along with the Chair, sign the adopted minutes and distribute as required;</p> <p>(Review a sample of meetings to assess compliance with the above requirements.)</p> | <p><i>Selected a sample of minutes and reviewed the evidence of conformance with the above-noted requirements. There was no direct evidence of (1) Secretary's oversight of the minute requirements and (2) no evidence of the required signing of the minutes by both the Secretary and the Chair.</i></p> | Partially Compliant |                |
|    | <b>SCHEDULE C - FINANCIAL ACCOUNTABILITY REQUIREMENTS</b>   |   |                     |                |

|    | Bylaw Element (Supplemental Test Activity)   | Summary of Results  | Assessment                 | Finding Ref. # |
|----|--|---|----------------------------|----------------|
| 44 | <p>I. ANNUAL BUDGET</p> <p>i. The Board shall prepare a proposed budget for each fiscal year by the date and in the form as set out in Schedule 1 to Schedule C or as amended from time to time.</p> <p>ii. The Board shall submit its budget to Council.</p> <p>(Review evidence that the BIA submitted a budget in accordance with Schedule 1 to Schedule C and that the budget was submitted to Council.)</p> | <p><i>Reviewed the budget submitted to the members at the AGM and to the City Clerk. The budget format aligns with the outline set in Schedule 1 of the Governance Bylaw. The Board submitted the budget to the City for submission to Council.</i></p>   | Compliant - Evidence Based |                |
| 45 | <p>I. ANNUAL BUDGET</p> <p>iv. The Board is responsible to ensure that expenditures made are in accordance with the approved budget and that expenditures do not exceed revenues such that an operating deficit is incurred.</p> <p>(Review financial statements to ensure a deficit is not incurred. Review evidence to determine if deficit/surplus is presented to the board.)</p>                            | <p><i>Reviewed the 2023 financial statements and noted that a deficit was incurred. The deficit was not part of the approved budget or a reserve reduction program. The deficit was presented to the Board and members.</i></p>   | Partially Compliant        |                |
| 46 | <p>II. ANNUAL VARIANCE REPORTING</p> <p>i. Budget variance reporting shall be completed and presented to the Board at a minimum semi-annually or more frequently as requested by the Board.</p> <p>(Review evidence to determine if the budget variance was presented to the board semi-annually.)</p>   | <p><i>Variance reporting was presented to the Directors as part of the draft budget discussion before the AGM on October 16, 2023. This was done using the embedded variance analysis outlined in Appendix 1 of the Governing Bylaw. Unlike the required semi-annual reporting, variance reporting was conducted only once.</i></p> <p><i>The minutes did not mention variance reporting, but the budget was presented and approved. Variance reporting was embedded in the budget template, which was completed and circulated to attendees.</i></p> | Not Compliant              |                |

|    | Bylaw Element (Supplemental Test Activity)  | Summary of Results  | Assessment                 | Finding Ref. # |
|----|---|---|----------------------------|----------------|
| 47 | <p>II. ANNUAL VARIANCE REPORTING</p> <p>ii. An annual variance report shall be presented in conjunction with the current year budget to the Members and Non-Voting Members at the annual General Meeting.</p> <p>(Review evidence to determine if the budget variance was presented to the membership at the Annual General Meeting.)</p>                                       | <p><i>Variance reporting was presented at the AGM using the embedded variance analysis outlined in Appendix 1 of the Governing Bylaw. The minutes did not mention variance reporting, but the budget was presented and approved. Variance reporting was embedded in the budget template, which was completed and circulated to attendees.</i></p> | Compliant - Evidence Based |                |
| 48 | <p>III. ANNUAL FINANCIAL STATEMENTS</p> <p>i. The Board is responsible to ensure that the financial information relating to each fiscal year end is provided to the auditors in a timely manner but no later than ninety days following the fiscal year end.</p> <p>(Review evidence to determine if the evidence was provided to the auditors within 90 days of year-end.)</p> | <p><i>Acquired confirmation from the external auditor that information was received in February 2024 for the 2023 year-end.</i></p>   | Compliant - Evidence Based |                |
| 49 | <p>III. ANNUAL FINANCIAL STATEMENTS</p> <p>ii. Audited financial statements are required to be presented in conjunction with the annual report to Council.</p> <p>(Review annual report submission to Council to determine if the financial statements were included.)</p>  | <p><i>Reporting of financial statements to the Council for the scope period had not occurred as of October 2024.</i></p>  | Compliant - Evidence Based |                |
| 50 | <p>IV. RESERVE FUNDS</p> <p>i. Any levy that is collected and not used in a current year shall be placed in a general operating reserve to be used in a subsequent year at the discretion of the Board.</p> <p>(Review financial statements to determine if any levy surplus was placed in the operating reserve.)</p>  | <p><i>At the end of 2022, there was a \$41,762 accumulated surplus. The 2024 budget and 2023 projected actuals circulated do not include this balance as an opening accumulated surplus. However, the budget does indicate that the 2024 projected deficit will be attributed to the accumulated surplus account.</i></p>                         | Partially Compliant        |                |

|    | Bylaw Element (Supplemental Test Activity)   | Summary of Results   | Assessment    | Finding Ref. # |
|----|--|--|---------------|----------------|
| 51 | <p>IV. RESERVE FUNDS</p> <p>ii. At no time shall the general operating reserve reach a level that exceeds 25% of the annual year's levy. Should the general operating reserve reach a level that is in excess of this maximum amount, the Board is required to develop a plan that will expend the funds with said plan being presented as part of the annual budget submission for approval by Council. The excess funds shall be included as a revenue source in the annual operating budget for the year in which the funds will be spent in accordance with the plan.</p> <p>(Review reserve compliance with levy limits.)</p> | <p><i>According to the financial statements, the reserve balance at the end of 2023 was \$34,353. This is 107.4% of the annual levy, greater than the 25% threshold. No documented plan to spend the reserve funds was detected.</i></p> <p><i>The notes to the financial statements indicate a reserve for "Future development" but not a "General operating" reserve. No plan denoted as "Future development" was noted, and no specific developments were noted as planned. The depletion of reserves in 2023 appears to be due to normal operating costs (beautification, maintenance, and events) rather than specific developments.</i></p>                                      | Not Compliant | 17             |
| 52 | <p>IV. RESERVE FUNDS</p> <p>iv. A separate schedule of transactions made from either the general operating and specific purpose reserves from the preceding year shall be included as a document in the annual financial statements.</p> <p>(Review evidence of reserve transaction compliance reporting.)</p>   | <p><i>The Financial Statements include (1) an accumulated surplus on the Statement of Financial Position with a note regarding the breakout, (2) a Statement of Net Change in Financial Assets, (3) a note indicating there is a positive balance in a "Future Development Reserve" and a negative in the "Other" reserve. It is unclear what the "Other" reserve is and why it is negative. Further, to cover the in-year deficit, funds appear to be used from the "Future development" as the "Other" was in an unfavourable position at the beginning of the year. An allocation of this nature should be taken from a general operating reserve per the Governance Bylaw.</i></p> | Not Compliant | 18             |

|    | Bylaw Element (Supplemental Test Activity)   | Summary of Results  | Assessment     | Finding Ref. # |
|----|--|---|----------------|----------------|
| 53 | <p>V. INVESTMENTS</p> <p>i. Where there are funds on hand in excess of current operating requirements, the Board may, in their discretion, approve the placement of those excess funds in short and/or medium term (no greater than five years) interest bearing deposits with a Schedule I bank or credit union with consideration of the following:</p> <ul style="list-style-type: none"> <li>a. Legality</li> <li>a. Preservation of capital</li> <li>b. Risk</li> <li>c. Liquidity</li> </ul> <p>(Determine if there are any investments. Where there are investments, acquire evidence of conformance with the investing requirements per the approved City bylaw (above))</p> | <i>Investments are not held. No investments are listed in the annual financial statements.</i>  | Not Applicable |                |
| 54 | <p>V. INVESTMENTS</p> <p>ii. Where funds are invested with a credit union, proof that the credit union meets the financial reporting requirements as defined by the Municipal Act must be obtained prior to the placement of the deposit and renewed annually through the period of time that the investment is held.</p> <p>(Determine if there is evidence that, where a credit union was used, the BIA assessed if the credit union meets the financial reporting requirements as defined by the Municipal Act annually or at commencement (whichever is more recent))</p>  | <i>Investments are not held. No investments were listed in the annual financial statements.</i> | Not Applicable |                |
| 55 | <p>V. INVESTMENTS</p> <p>iii. The term of the investment should not extend beyond the time for which the funds will be required.</p> <p>(Determine if the investment timeframe matches the BIA-defined timeframe need)</p>   | <i>Investments are not held. No investments were listed in the annual financial statements.</i> | Not Applicable |                |



|    | Bylaw Element (Supplemental Test Activity)  | Summary of Results   | Assessment     | Finding Ref. # |
|----|---|--|----------------|----------------|
| 56 | <p>V. INVESTMENTS</p> <p>iv. Interest received from the investment of excess funds should be deposited into the BIA general account and can be used in support of expenditures that are consistent with items included in approved budgets.</p> <p>(Determine if there is evidence indicating that investment interest was deposited into the BIA general account (testing of use covered elsewhere))</p> | <i>Investments are not held. No investments were listed in the annual financial statements.</i>  | Not Applicable |                |
| 57 | <p>V. INVESTMENTS</p> <p>v. An annual report of investments and yields shall be prepared and presented at the annual General Meeting and included in the annual report to Council.</p> <p>(Determine if there is evidence that a report of investments and yields was prepared and presented to both the members at the Annual General Meeting and included in the annual report to City Council)</p>     | <i>Investments are not held. No investments were listed in the annual financial statements.</i>  | Not Applicable |                |
| 58 | <p>VI. BANKING AND SIGNING AUTHORITY</p> <p>i. The designation of a financial institution for the deposit and disbursements of funds on behalf of the BIA is the responsibility of the Board.</p> <p>(Review Board Minutes designating the financial institution in use during the scope period as the approved financial institution)</p>  | <i>Management could not provide evidence of the approval of the current institution for the majority of the scope period. However, approval of a move to a new entity was noted.</i> | Not Compliant  | 9              |

|    | Bylaw Element (Supplemental Test Activity)  | Summary of Results   | Assessment    | Finding Ref. # |
|----|---|--|---------------|----------------|
| 59 | <p>VI. BANKING AND SIGNING AUTHORITY</p> <p>ii. The disbursements of funds shall be by cheque or electronic form wherever possible/practical, and in all cases where the disbursements are in excess of \$100.00 it shall be by way of cheques which shall bear at a minimum two signatures, namely that of the Chair and Vice-Chair. Alternate signing authorities may be granted to either the Treasurer and/or the Secretary who may sign a cheque in the place of a primary signature. At no time can a cheque bear the signature of two alternate signatories. Where electronic payment methods are in place, an approval process which aligns with the cheque signing process noted above shall be utilized as authorization to release payment.</p> <p>iv. Where a BIA utilizes the position of Executive Director, in addition to the Chair and Vice-Chair, this position may be designated by the Board as a primary signatory for banking purposes.</p> <p>(Acquire a listing of all payments issued in the scope period or access to all period bank statements.<br/>Identify payments over \$100.00 and determine whether they were issued via cheque, as required by the governance bylaw, or if an e-transfer was used.<br/>Select a sample of payments over \$100.00 and validate that approved signatories were evident on the cheque or that if e-transfer was used, there is evidence of the equivalent signature being acquired before the e-transfer date.)</p> | <p><i>Reviewed bank statements for the period.</i></p> <p><i>At Ford City BIA, not all purchases beyond \$100 were made via cheque. Instead, they were made via e-transfer or online bill payment.</i></p> <p><i>For the alternate electric payment approvals, items within the approved budget are reimbursed without acquiring additional signatories/approvals based on the approved budget. Items outside or beyond the approved budget required secondary approvals.</i></p> <p><i>As such, in the sample selected, payment approval by two of the required personnel was not detected.</i></p> <p><i>The BIA uses the position of Executive Director, and the role is designated as a signing officer.</i></p> | Not Compliant |                |

|    | Bylaw Element (Supplemental Test Activity)   | Summary of Results  | Assessment                  | Finding Ref. # |
|----|--|---|-----------------------------|----------------|
| 60 | <p>VI. BANKING AND SIGNING AUTHORITY</p> <p>iii. A business credit card may be utilized for purchases where practical. The Board is responsible to ensure that only authorized individuals are provided with a business credit card and that monthly statements are regularly reviewed and reconciled.</p> <p>(Acquire a listing of all BIA business credit cards. Select a sample to determine if (1) the Board approved the user to have a BIA business credit card and that the selected monthly statement samples have evidence of review and reconciliation.)</p> | <i>Credit cards were not used in the scope period - the financial institution would not issue the BIA one.</i>  | Not Applicable              |                |
| 61 | <p>VI. BANKING AND SIGNING AUTHORITY</p> <p>v. Under no circumstances will an individual authorize any payment to or sign any agreement or other document in relation to themselves, their spouse, partner, children or step-children, parents or step-parents, grandparents or step-grandparents, siblings or step-siblings.</p> <p>(Review the BIA approach to enabling compliance with this bylaw element and determine the testing approach.)</p>  | <i>No formal control mechanisms exist for this control. Signatory awareness is the main control, with significant emphasis placed on the knowledge of the Executive Director and the Chair. Management representation confirmed this.</i> | Complaint - Mngmt Assertion |                |

|    | Bylaw Element (Supplemental Test Activity)  | Summary of Results  | Assessment          | Finding Ref. # |
|----|---|---|---------------------|----------------|
| 63 | <p>VI. BANKING AND SIGNING AUTHORITY</p> <p>vi. Reimbursement for expenditures incurred on behalf of the BIA must be accompanied by a supporting invoice and be in compliance with the BIA's travel and business expense policy.</p> <p>(Select a sample of reimbursements and determine if the items were supported by receipts and complied with the BIA's travel and business expense policy.)</p> | <p><i>Selected a sample of reimbursements for testing. Eight of ten samples included the supporting invoice. One sample missing the invoice was noted in a discussion with management. Management indicated the payment was based on (1) budget and (2) as, historically, being arranged for and paid for by one of the local businesses. That local business is the entity to which the payment was issued to reimburse their payment to the DJ.</i></p> <p><i>The BIA does not have a travel and business expense policy. Travel is not part of the BIA activities, and no travel expenses were noted in the financial statements.</i></p> <p><i>In testing compliance with the Governance Bylaw requirements, the second signatory could not be tested for approvals obtained before payment processing, as this process is not used for items within the approved budget funds. While explicit evidence of the first signatory's advance approval was not detected, initiating and processing the payment implies the signatory's approval.</i></p> | Partially Compliant | 19             |

|    | Bylaw Element (Supplemental Test Activity)  | Summary of Results   | Assessment          | Finding Ref. # |
|----|---|--|---------------------|----------------|
| 63 | <p>VI. BANKING AND SIGNING AUTHORITY</p> <p>vii. Bank reconciliations shall be completed and independently reviewed by the Treasurer on a regular monthly basis but no less than quarterly. Bank reconciliations shall be presented to the Board for approval.</p> <p>(Select a sample of bank reconciliations from the scope period and determine if there is evidence that the reconciliations were (1) prepared monthly, (2) reviewed by the Treasurer at least quarterly and (3) all presented to the board for approval.)</p>  | <p><i>Formal bank reconciliations are not prepared, as no outstanding items should exist. Deposits are promptly made, often electronically, and payments are made via e-transfer or bill pay online; as such, outstanding bank items are not anticipated.</i></p> <p><i>A financial summary is prepared and circulated.</i></p> <p><i>There was no evidence of reviewing or discussing the financial summary with the Treasurer before Board meetings. Given that bank reconciliations are not prepared, no evidence of reviewing them is available, nor is the associated approval by the Board possible.</i></p> | Not Compliant       | 12             |
| 64 | <p>VII. BOOKS AND RECORDS</p> <p>i. The Secretary shall ensure that all necessary books and records required by the Board or by any applicable law are retained and preserved in a secure manner. The Secretary shall ensure that appropriate record and retention protocols are in place to ensure the appropriate safeguarding of all records and to ensure that such books and records remain readily available for inspection by Directors, auditors and others upon the approval of the Board.</p> <p>ii. Under section 2(3) of the Municipal Freedom of Information and Protection of Privacy Act, records relating to the business of the Board are accessible to the public upon request.</p> <p>(Based on the requests made in the bylaw compliance review, determine if it appears that appropriate record and retention protocols are in place.)</p> | <p><i>Based on the requests made in the review of the bylaw compliance review, appropriate record and retention protocols are in place for recent records. Historical records over 2 years old were more challenging to acquire or were not acquired. Several of these were corporate minutes that should have been retained.</i></p>  | Partially Compliant | 20             |

|    | Bylaw Element (Supplemental Test Activity)   | Summary of Results   | Assessment     | Finding Ref. # |
|----|--|--|----------------|----------------|
| 65 | <p>VIII. CASH HANDLING</p> <p>ii. Cash must be kept secure at all times – lockable cash register, safe, floor safe, locked storage, etc. The safeguarding of cash should take into account the amount of cash on hand during various periods.</p> <p>iii. Active cashiering or cash counting stations are not to be left unattended, at any time, without being properly secured. Physical access to cash shall be restricted to authorized personnel.</p> <p>(Determine if cash was held in a lockable cash register, safe, floor safe, locked storage, etc and if there are cash safeguarding protocols in place. Understand if cash may be left unattended. Acquire evidence from the BIA regarding whom has access to cash and acquire evidence of prior board approval of such access.)</p> | <p><i>Cash was not kept on hand. The cash received was deposited the same day or the next business day. This was confirmed by management representation.</i></p> | Not Applicable |                |
| 66 | <p>VIII. CASH HANDLING iv. Special events should be adequately supervised with appropriate internal control measures in place to ensure that all funds received from the event are appropriately tracked with appropriate audit trails in place with funds immediately deposited.</p> <p>(Determine if the BIA has evidence that special events cash handling occurs in compliance with the bylaw)</p>   | <p><i>Cash was not kept on hand. The cash received was deposited the same day or the next business day. This was confirmed by management representation.</i></p> | Not Applicable |                |
| 67 | <p>VIII. CASH HANDLING v. The use of cash for payment of services should be limited and in no case should exceed \$100.</p> <p>(Using system listing and inquiry determine if any cash payments were issued for over \$100.00 and note the rationale.)</p>   | <p><i>Cash was not kept on hand. The cash received was deposited the same day or the next business day. This was confirmed by management representation.</i></p> | Not Applicable |                |

|    | Bylaw Element (Supplemental Test Activity)   | Summary of Results  | Assessment                 | Finding Ref. # |
|----|--|---|----------------------------|----------------|
| 68 | <p>IX. BOOKKEEPING</p> <p>i. The use of a bookkeeper for financial record keeping is strongly encouraged and may be established by the Board.</p> <p>ii. Where bookkeeping services are determined to be appropriate the terms and conditions, including fees, should be evidenced through a formal agreement.</p> <p>(Inquire as to the use of a bookkeeper and prior board approval thereof. Where there is a bookkeeper acquire a copy of the formal agreement.)</p>                  | <p><i>The BIA has long used a bookkeeper. Other than through the approval of payments, evidence that the board approved the bookkeeper's appointment/engagement was unavailable. No formal agreement of services, terms and conditions, and fees were detected.</i></p> | Not Compliant              | 23             |
| 69 | <p>X. REGULATORY FILINGS</p> <p>i. The Board is responsible to ensure that the BIA obtains any required registrations with the Canada Revenue Agency and obtains, if required, a corporate business identity number to be used for purposes of any required filings inclusive of payroll and HST.</p> <p>(Identify CRA registrations the BIA has through inquiry and corresponding CRA documentation. )</p>  | <p><i>A business number has been registered with CRA for HST filing purposes.</i></p>   | Compliant - Evidence Based |                |
| 70 | <p>X. REGULATORY FILINGS</p> <p>ii. The Board must ensure that appropriate processing of any required payroll is completed in full compliance with all Canada Revenue Agency requirements relative to processing, reporting and remittances.</p> <p>iii. The Board is responsible to ensure that payroll implications for any services provided to the BIA are appropriately considered and managed.</p> <p>(Review evidence of compliance with CRA payroll reporting requirements.)</p> | <p><i>No CRA payroll filings are required because the BIA does not have employees. The financial statements corroborate this, as there have been no payroll expenditures.</i></p>   | Not Applicable             |                |

|    | Bylaw Element (Supplemental Test Activity)   | Summary of Results  | Assessment                 | Finding Ref. # |
|----|--|---|----------------------------|----------------|
| 71 | <p>X. REGULATORY FILINGS</p> <p>iv. The Board is responsible to ensure that all regulatory filings with regards to Harmonized Sales Tax are completed on a timely basis.</p> <p>(Review evidence of compliance with CRA HST reporting requirements.)</p>   | <i>Reviewed CRA HST screenshots and noted that the 2022 filing was filed within 2 months of the period's end; however, the 2023 rebate was not filed as of December 4, 2024 (11 months after the period's end).</i> | Compliant - Evidence Based |                |
| 72 | <p>X. REGULATORY FILINGS</p> <p>v. The Board must also ensure that any other regulatory filings with Canada Revenue Agency A or other level of government is completed in full compliance as defined by those entities.</p> <p>(Review evidence of compliance with other applicable regulatory reporting requirements.)</p>  | <i>No other CRA filings are required, as confirmed via management representation.</i>   | Not Applicable             |                |
| 73 | <p>XI. GRANTS</p> <p>ii. Where grant applications are submitted and accepted, Board approval to proceed with documentation to finalize the grant must be obtained.</p> <p>(Acquire a listing of all grants received from upper levels of government and determine if the board approved these before finalization and (2) if the funds were used for planned events and activities.)</p>                 | <i>No grants were received in the scope period. The financial statements corroborate this, showing no grants receivable, grant-based revenue, or grant-based cash flows.</i>  | Not Applicable             |                |
| 74 | <p>XI. GRANTS</p> <p>iii. The Board is responsible to ensure that all required reporting, documentation and/or claims submission are completed in full compliance with the grant provider so as to not jeopardize the receipt of funding.</p> <p>(Acquire a listing of all grants received from upper levels of government and determine if required reporting to the grant provider was completed.)</p> | <i>No grants were received in the scope period. The financial statements corroborate this, showing no grants receivable, grant-based revenue, or grant-based cash flows.</i>  | Not Applicable             |                |



|    | Bylaw Element (Supplemental Test Activity)  | Summary of Results   | Assessment     | Finding Ref. # |
|----|---|--|----------------|----------------|
| 75 | <p>Procurement Policy Review</p> <p>(Acquire a copy of the procurement policy and review evidence that the board has approved the policy. Review procurement policy to determine if approaches are in place to provide transparency and fairness as well as to avoid sole-sourcing, favouritism and directing funds.)</p>                           | <i>The BIA does not have a formal policy related to procurement practices.</i>                                     | Not Applicable | 24             |
| 76 | <p>Hiring Policy &amp; Practices</p> <p>(Acquire a copy of the Hiring Policy and Practices and review evidence that the board has approved the policy and practices. Consider if the approach may result in bias, favouritism or directed hiring.)</p>  | <i>The BIA does not have a formal policy related to hiring practices, nor are there any active employees.</i>      | Not Applicable | 24             |
| 77 | <p>Termination Policy &amp; Practices</p> <p>(Acquire a copy of the Termination Policy and Practices and review evidence that the board has approved the policy and practices. Consider if the approach may result in bias, favouritism or directed firing and how the Board ensures compliance with employment and human rights requirements.)</p> | <i>The BIA does not have a formal policy related to termination practices, nor are there any active employees.</i> | Not Applicable | 24             |

## Appendix B - Rating descriptions

### Findings

| Rating             | Description  |
|--------------------|--|
| High               | Significant Portion of Compliance Activity Not In Effect - Action Required |
| Moderate           | A Portion of Compliance Activity Not In Effect - Action Required           |
| Low                | Minimal Portion of Compliance Activity Not In Effect - Action Required     |
| Pending City Input | City Input Suggested Before the BIA Takes Action                           |

### Overall Report Rating

| Rating                          | Description   |
|---------------------------------|---|
| <b>1 – Highly Compliant</b>     | <b>Fully compliant and effective:</b> The organization has robust controls and procedures in place, consistently meets or exceeds all compliance requirements, and demonstrates continuous improvement in risk management. No significant issues or weaknesses were identified. Must meet an overall compliance rating of 80% or more for the applicable domains.     |
| <b>2 – Compliant</b>            | <b>Generally compliant with minor issues:</b> The organization complies with the majority of the compliance requirements and internal controls. Some minor weaknesses may exist, but they are not considered critical and can be easily rectified. Must meet an overall compliance rating of 80% or more for the applicable domains, with only minor compliance gaps. |
| <b>3 – Needs Improvement</b>    | <b>Partially compliant:</b> The organization shows some gaps or weaknesses in its internal controls or compliance measures. These issues should be addressed within a reasonable timeframe to prevent material risks from emerging. In the range of 60-80% compliance for the applicable domains.   |
| <b>4 – Non-Compliant</b>        | <b>Non-compliant or significant weaknesses:</b> The organization is not complying with certain key requirements or has significant deficiencies in internal controls. To mitigate potential risks and comply with regulations immediate corrective action is required. Compliance is in the range of 40-60% for the applicable domains.                               |
| <b>5 – Highly Non-Compliant</b> | <b>Severe non-compliance or critical failures:</b> The organization is failing to meet essential compliance requirements, exposing it to significant legal, financial, or operational risks. Immediate and comprehensive corrective action is required. Less than 40% compliance for the applicable domains.  |

## **E.2 Business Improvement Area**

### **GOVERNANCE BYLAW COMPLIANCE INTERNAL AUDIT CONSIDERATIONS FOR ADMINISTRATION IN ADVANCE OF BIA TRAINING SESSIONS**



March 20, 2025

**Business Improvement Area  
GOVERNANCE BYLAW COMPLIANCE  
INTERNAL AUDIT CONSIDERATIONS FOR ADMINISTRATION  
IN ADVANCE OF BIA TRAINING SESSIONS**

# REPORT

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# Executive Report

## Business Improvement Area Governance Bylaw Review Overview

Compliance reviews of how the nine BIAs comply with the City BIA Governance Bylaw were commenced in 2024 and were expected to span 3-4 years. Given the insights of two inflight reviews and initial conversations with other BIAs, the Auditor General recommended a change in approach to optimize the effort expended on BIAs.

The revised approach was to complete the one inflight review and to summarize key items noted so far in any other BIA work conducted to date and to close out the project files.

The results of these reviews are to be provided to the BIAs and City Council.

Management should consider the findings reported as part of the planned Governance and Conflict of Interest training.

Three to five years after communicating the consolidated themes and completing the City Governance and Conflict of Interest training, a compliance review of two to three randomly selected BIAs is anticipated

## What We Did

Below is a sample selection of some of our activities:

We completed one full BIA review where 74 specific areas of compliance with the Governance Bylaw were considered. We also commenced and conducted a fair portion of testing and even more evidence collection for two other BIAs.

We reviewed many BIA websites to understand the overall context and the Board minutes as well as to evaluate the required web publication elements of the Governance Bylaw.

We collected publicly available data and information from external auditors as part of evidence collection.

## What We Found

BIAs would benefit from:

- (1) training on minimum expectations,
  - (2) leveraging City published materials and
  - (3) developing an approach to ensuring sustained compliance with all aspects of the bylaw over a 12-18 month period.
- .

**Administrations  
Comments**

A significant amount of administrative effort was put forth in the development of the Governance Bylaw during which several meetings were held with members and representatives of the BIA Boards to review, provide context and seek feedback with regards to the requirements included in the Bylaw. In addition, BIAs have been provided access to a dedicated single point of contact at the City who is available to respond to questions from the BIA's. Further a centralized email address was made available where BIA's could raise questions and seek clarification on a matter that may arise. This e-mail is regularly monitored for timely responses.

Administration acknowledges that specific training regarding the Governance Bylaw has not yet been offered to the BIA board members. Administration recognizes the importance of this training and are committed to finalizing training materials to ensure training is comprehensive, relevant, and supports the BIA's in meeting the governance requirements. The goal is to schedule and deliver training by the Fall of 2025. Future training, which aligns with the term of Council and election of BIA Boards will be scheduled commencing in 2027. Training will incorporate key aspects as identified through the Lessons Learned - Business Improvement Area Internal Audit Review (January 15, 2025) as well as other items for consideration as identified in this report. At this time, Administration is not recommending any proposed changes to the current Governance Bylaw. Those areas where compliance may be challenging for the BIA's will be highlighted for further discussion as part of the planned training.

**Name:** Janice Guthrie

**Title:** Commissioner of Finance/City Treasurer

**Date:** April 9, 2025

## Specific Findings for Consideration

| #                              | Title  | Rating |
|--------------------------------|--|--------|
| 1                              | Prior Constitution and Governance Bylaw Alignment  | High   |
| <b>Finding</b>                 | <p>Within the Governance Bylaw, Schedule A and B were adopted by City Council, which was the Acting Board for the BIAs at that time. As such, the BIA Governance By-Law and supporting schedules became part of each BIA's governance structure; however, some BIAs have prior Constitutions, bylaws and procedures. The City Governance By-Law does not appear to contain wording to repeal or supersede these prior governing elements. Further, there was no evidence of subsequent repeal/superseding nor analysis to consider potential conflicting elements detected.</p>  |        |
| <b>Implication</b>             | <p>An overarching and unsigned constitutional/governance document creates uncertainty and a potential lack of legal authority over the company's governance and operations. While the entity might proceed with operations in some cases, it risks legal challenges, disputes, and operational confusion.</p> <p>There is a risk that a prior constitution and the Governance Bylaw are in conflict or may not be aligned.</p>   |        |
| <b>Recommendation for City</b> | <p>The City should consider requiring confirmation from each BIA, at a specified date, that the BIA Board has either:</p> <ol style="list-style-type: none"> <li>1. Reviewed and approved an analysis of all prior Governing BIA documents (Constitutions, Bylaws, Policies, etc.) and has completed actions to ensure each document has been updated and is in accordance with the Governance Bylaw, or</li> <li>2. Tabled and passed a motion, by the BIA Board (or AGM, as appropriate), to repeal all prior governance documents such that the Governance Bylaw supersedes them and is the in-force standard.</li> </ol> |        |
| <b>Recommendation for BIA</b>  | <p>The BIA should comply with the City's requirements regarding Governance Bylaw policies.</p>   |        |
|                                |  |        |



| #                              | Title   | Rating |
|--------------------------------|---|--------|
| 2                              | BIA Membership Authority  | High   |
| <b>Finding</b>                 | The Governance Bylaw specifies that "the Secretary is responsible to ensure the Membership list is current"; however, BIA members are defined by the Municipal Act, and final membership is determined through the City Levy listing within the boundary. Further, the BIA often has the membership listing updated and maintained by the Director and chair.   |        |
| <b>Implication</b>             | Risk of non-compliance with administrative items in the bylaw.<br>The risk that membership and levy listings do not align or are challenging to map.  |        |
| <b>Recommendation for City</b> | NA  |        |
| <b>Recommendation for BIA</b>  | <p>The BIA Board, through the Secretary, should ensure that there is a method for the Secretary to confirm that they have ensured the membership list is correct (e.g., a memo in the Board Agenda or a minute). At a minimum, this should precede the determination of any mailing list (notice of meeting invitations) for the AGM or any Special General Meeting called.</p> <p>The Secretary should ensure that evidence of the City Levy parties are included in the membership listing and that evidence thereof is retained to support the Secretary's confirmation of an accurate membership list. The BIA Board will need its own local, unique method for ensuring local business tenants are represented.</p>  |        |
|                                |   |        |
| 3                              | Election Practices  | High   |
| <b>Finding</b>                 | <p>The Governance Bylaw requires several elements not detected as being in effect for the election of directors.</p> <p>These are specific items such as:</p> <ul style="list-style-type: none"> <li>- two people appointed to act as election officials to conduct/oversee the election</li> <li>- only one individual was present for the counting of the ballots</li> </ul> <p>Other items required under the bylaw could not be corroborated as supporting evidence was unavailable. This includes elements such as:</p> <ul style="list-style-type: none"> <li>- formal outline of the actual voting process/requirements</li> <li>- voting occurred by secret ballot</li> <li>- method of how ballots were delivered to the election officials</li> <li>- appropriate storage and destruction of ballots</li> </ul> |        |
| <b>Implication</b>             | There is a risk of non-compliance with administrative items in the bylaw, which would require additional efforts and likely costs.  |        |
| <b>Recommendation for City</b> | The City should incorporate election practices as a topic for coverage in planned future BIA training.  |        |
| <b>Recommendation for BIA</b>  | The BIA should ensure the above practices are in place and adhered to the next time a Board Member is elected.  |        |



| #                              | Title   | Rating |
|--------------------------------|---|--------|
| 4                              | Mid-Term Elections  | High   |
| <b>Finding</b>                 | <p>Within the scope period of the review, some of the elected and City Council-appointed BIA directors resigned. Further, BIA Board minutes indicate that the Board added directors during the period. No evidence was detected that these three directors were elected per the requirements outlined in Schedule A of the Governance By-law.</p> <p>Further, there was no evidence in the agenda, the minutes, or the PowerPoint presentation as to the ratification of Directors onboarded by the Board in the year by the Membership and no evidence of approval of the new Directors by City Council.</p> |        |
| <b>Implication</b>             | There is a risk of non-compliance with administrative items in the bylaw.   |        |
| <b>Recommendation for City</b> | The City should ensure that the wording and expectations for mid-term elections is clear and that the process to notify Council of Director resignation and new appointments occurs promptly.   |        |
| <b>Recommendation for BIA</b>  | Ensure that compliance with the bylaw is achieved, that members agree to newly appointed directors and that Council is informed that they may appoint the new directors promptly.   |        |
|                                |   |        |
| 5                              | Ex-officio Board Member   | High   |
| <b>Finding</b>                 | The BIA directors appointed per the City Council Striking Committee listed all the Directors elected by BIA members; however, some ex-officio member of the Board of Directors (permitted per the current BIA Constitution) were not listed and other BIAs had ex-officio members on the striking committee report. The ex-officio member is not a position listed in the Governance Bylaw.   |        |
| <b>Implication</b>             | A mishap in the director's listing creates a conflict between the in-force pre-existing BIA Constitution and the Governance Bylaw.  |        |
| <b>Recommendation for City</b> | NA  |        |
| <b>Recommendation for BIA</b>  | The BIA should remove ex-officio directors from the constitution and Board as they are not permitted under the Governance Bylaw.  |        |
|                                |   |        |
| 6                              | Board Meeting Attendance  | High   |
| <b>Finding</b>                 | In assessing compliance with the bylaw specification that every Director and Officer of the BIA attend each meeting, we noted that 58% of the nineteen directors evaluated did not attend all meetings and that 36% of the directors tested attended less than 36% of the meetings.   |        |
| <b>Implication</b>             | Non-compliance with this element of the Governance Bylaw should be anticipated as full attendance of all volunteers at all meetings might not reflect reality.  |        |

| #                              | Title   | Rating      |
|--------------------------------|---|-------------|
| <b>Recommendation for City</b> | While full attendance at every board meeting might be the ideal or expected standard in some governance models, it's not always realistic or necessary for a small organization or diverse board. A more flexible approach that allows for remote participation encourages active involvement and sets reasonable attendance goals, which can help ensure effective governance without placing undue pressure on board members.<br><br>The City should consider the goal of this initial policy element and revise it to accommodate the diversity of size and structure of the various BIAs. |             |
| <b>Recommendation for BIA</b>  | The BIA should monitor attendance and address issues preventing the attendance attainment metric from being attained.   |             |
|                                |   |             |
| <b>7</b>                       | <b>Governance and Conflict of Interest Training</b>   | <b>High</b> |
| <b>Finding</b>                 | The Bylaw requires that every Director and Officer of the BIA attend the City's governance and conflict of interest training. In testing, we noted that such attendance was impossible as the training had not been offered by the City to BIA Directors and Officers since the Council Resolution regarding the Governance Bylaw was passed  |             |
| <b>Implication</b>             | Risk of non-compliance with Governance Bylaw and potential for non-compliance or misunderstanding of the City's governance and conflict of interest requirements.   |             |
| <b>Recommendation for City</b> | The City should provide the required City governance and conflict of interest training as soon as possible, at the beginning of every term, and in a way such that mid-term appointments can participate or attend.   |             |
| <b>Recommendation for BIA</b>  | The BIA should ensure that all Directors comply with the attendance requirements per the Governance Bylaw.  |             |
|                                |   |             |
| <b>8</b>                       | <b>Business Expense Reimbursement</b>   | <b>High</b> |
| <b>Finding</b>                 | There is no Board approved Travel and Business Expense Policy. While BIA representatives do not currently travel, nor are they reimbursed for travel expenses, various BIA members have incurred business expenses and have been reimbursed.<br><br>Consistent evidence of secondary approvals was not available and in some instances, one of the two approvers was also the recipient.  |             |
| <b>Implication</b>             | Risk of non-compliance with Governance Bylaw. There is an increased risk that business expenses do not follow a standard purchasing/reimbursement practice that meets city and/or public expectations.  |             |
| <b>Recommendation</b>          | The City should establish and track compliance with a target date for the various   |             |

| #                       | Title  | Rating   |
|-------------------------|--|----------|
| for City                | BIAs to submit their Travel and Business Expense Policy for City approval.<br><br>The City may wish to include a statement in the Governance Bylaw that approvers/signatories must be independent of the recipients.   |          |
| Recommendation for BIA  | The BIA should develop and implement a Travel and Business Expense policy that conforms to the Governance Bylaw requirements and business and expense reimbursement practices. Such a policy addresses travel expenses permitted as well as reimbursement of Directors for expenses incurred on behalf of the BIA.<br><br>The BIA should generate and retain evidence of compliance with the Governance Bylaw, ensuring that the requisite approvals are obtained before funds are issued. |          |
|                         |  |          |
| 9                       | Board Agenda Publication   | Moderate |
| Finding                 | Publication of the Board Agendas on the website 72 hours before any Board meeting was not detected for past meetings. This is required by the Governance Bylaw section XII.iv.   |          |
| Implication             | Risk of non-compliance with City Bylaw and the potential for reduced awareness of BIA members.   |          |
| Recommendation for City | NA   |          |
| Recommendation for BIA  | The BIA should comply with the Governance Bylaw and post Board Agendas on the web at least 72 hours before a meeting.  |          |
|                         |  |          |
| 10                      | AGM Agenda Circulation   | Moderate |
| Finding                 | The Governance Bylaw requires advance notice of the Annual General Meeting, with the agenda and supporting materials attached. Various instances of non-compliance such as partial communications or notification outside of the required timeline were noted.   |          |
| Implication             | There is a risk of non-compliance with the Governance Bylaw and the potential for reduced awareness of BIA members.  |          |
| Recommendation for City | NA   |          |
| Recommendation for BIA  | The BIA should comply with the Governance Bylaw and circulate the required materials at least 15 days before the Annual General Meeting.   |          |
|                         |  |          |

| #                              | Title   | Rating   |
|--------------------------------|---|----------|
| 11                             | Designation of Financial Institution  | Moderate |
| <b>Finding</b>                 | Minutes indicating the approval of the current (in period) financial institution as the designated entity could not be readily located by the BIA.  |          |
| <b>Implication</b>             | <p>Risk of non-compliance with City Bylaw and inaccurate corporate records.</p> <p>Complications could arise should the appointment or use of the current financial institution be called into question or challenged.</p>  |          |
| <b>Recommendation for City</b> | NA  |          |
| <b>Recommendation for BIA</b>  | Where historical records of the appointment of the designated financial institution cannot be located, the BIA should ensure that minutes indicating the appointment of the financial insulation are generated and that the record books are updated.   |          |
|                                |   |          |
| 12                             | Policies  | High     |
| <b>Finding</b>                 | <p>The following policies are not formally defined: sale and disposition of land, hiring, purchasing, or business and travel expenditures.</p> <p>Business expenses are incurred by Directors/members, and as such, the business expenditures policy is required.</p>   |          |
| <b>Implication</b>             | Non-compliance with the Governance Bylaw.   |          |
| <b>Recommendation for City</b> | <p>The City should consider minor modifications of the Governance Bylaw section XVI.vii to determine whether the BIA should craft and implement policies related to employees and land disposition where there are no employees or land assets. Further, the City should consider incorporating Termination elements into the Hiring policy requirement.</p> <p>Suppose the City desires BIAs to have all the policies listed in place now. Then, the City should consider updating the Governance Bylaw wording to require that BIAs also have a method for ensuring the policies not currently applicable are kept (1) up-to-date and (2) that awareness of the policy is maintained by the Board and the Executive Director (or equivalent).</p> <p>Suppose the City desires BIAs to have the policies when relevant. Then, the Governance Bylaw wording should be updated to include trigger language such as "before initiating any recurring activities" or "before considering any land purchases" for the hiring and land disposition policies.</p> |          |
| <b>Recommendation for BIA</b>  | <ol style="list-style-type: none"> <li>1. The BIA should design, implement and comply with a Purchasing Policy and a Travel and Business Expense Policy as purchasing occurs and directors are reimbursed for expenditures.</li> <li>2. The BIA should comply with the requirements that the City determines</li> </ol>   |          |

| #                              | Title   | Rating   |
|--------------------------------|---|----------|
|                                | regarding its final action plan regarding policies regarding the Sale and disposition of Land and Hiring.   |          |
|                                |   |          |
| 13                             | Minutes Oversight   | High     |
| <b>Finding</b>                 | There was no direct evidence of compliance with the following Governance Bylaw requirements: (1) the Secretary's oversight of the minute requirements and (2) no evidence of the required signing of the minutes by both the Secretary and the Chair.   |          |
| <b>Implication</b>             | Non-compliance with the Governance Bylaw.   |          |
| <b>Recommendation for City</b> | NA  |          |
| <b>Recommendation for BIA</b>  | Corporate minutes should be signed to ensure their authenticity, provide legal protection, and maintain good governance. Signing the minutes creates an official, final record of the proceedings, promotes accountability, and safeguards against potential legal issues. It also ensures that the documented decisions of the board and members are clear and accurate and can be relied upon for future reference or verification. |          |
|                                |   |          |
| 14                             | Results as Planned  | High     |
| <b>Finding</b>                 | We reviewed the 2023 financial statements and noted that a deficit was incurred, which was not in accordance with the approved budget, a reserve reduction plan or the Governance Bylaw.  |          |
|                                | The drawdown or use of a Reserve reduction plan would also require a planned deficit, making any BIA non-compliant with the Governance Bylaw.   |          |
| <b>Implication</b>             | Non-compliance with Governance Bylaw. Long-term or severe non-compliance may result in significant financial losses or unintended use of any surpluses.   |          |
| <b>Recommendation for City</b> | The City may wish to revise this requirement considering (1) planned/approved deficits, (2) a reserve reduction plan or (3) where deficits are identified and escalated to the City for approval in a specified advance manner.   |          |
| <b>Recommendation for BIA</b>  | The BIA should ensure compliance with the Governance Bylaw.   |          |
|                                |   |          |
| 15                             | Variance Reporting  | Moderate |
| <b>Finding</b>                 | The Bylaw requires that budget variances be reported to the board at least semi-annually; however, these were not consistently noted.   |          |
| <b>Implication</b>             | Non-compliance with Governance Bylaw. Long-term or severe non-compliance may result in unexpected and/or unnecessary variances.   |          |

| #                              | Title   | Rating      |
|--------------------------------|---|-------------|
| <b>Recommendation for City</b> | NA  |             |
| <b>Recommendation for BIA</b>  | The BIA should report budget variances to the board on a semi-annual basis.   |             |
|                                |   |             |
| <b>16</b>                      | <b>Reserve Usage Plan</b>   | <b>High</b> |
| <b>Finding</b>                 | Several Reserve Balance exceed the 25% of the annual levy, and the Governance Bylaw, therefore, requires that “the Board is required to develop a plan that will expend the funds, with said plan being presented as part of the annual budget submission for approval by Council.” However, no such plan was detected. |             |
| <b>Implication</b>             | Non-compliance with Governance Bylaw. Reserve balances may not reflect the needs of the BIA and/or the City.  |             |
| <b>Recommendation for City</b> | The City should establish, and track compliance with, a target date for the applicable BIA's to submit their plan for managing their reserves to the City.  |             |
| <b>Recommendation for BIA</b>  | The BIA should document its plan to expend reserve funds beyond the limit and include this plan in its submission to Council for approval.  |             |
|                                |   |             |
| <b>17</b>                      | <b>Expenditure to Closely Related Parties</b>   | <b>High</b> |
| <b>Finding</b>                 | No formal control mechanisms exist for payments to closely related parties. Signatory awareness is the primary control, emphasizing the knowledge of the Executive Director and the Chair. This was confirmed via management representation.  |             |
| <b>Implication</b>             | Non-compliance with Governance Bylaw. Inappropriate or misuse of funds may occur.   |             |
| <b>Recommendation for City</b> | NA  |             |
| <b>Recommendation for BIA</b>  | The BIA should acquire formal evidence of agreement of (1) intent to comply and (2) annual attestation of compliance with this Governance Bylaw requirement from all authorized signatories.  |             |
|                                |   |             |

| #                              | Title   | Rating |
|--------------------------------|---|--------|
| 18                             | Bank Reconciliation Practices   | High   |
| <b>Finding</b>                 | <p>Formal bank reconciliations are not consistently prepared..</p> <p>There was no consistent evidence of reviewing or discussing the financial summary with the Treasurer before Board meetings. Since bank reconciliations are not prepared, no evidence of reviewing them is available, nor is the associated approval by the Board possible.</p>  |        |
| <b>Implication</b>             | Non-compliance with the Governance Bylaw. The absence or untimely preparation and review of bank reconciliations increases the risk of unauthorized payments, lost deposits, errors, and misuse of funds.   |        |
| <b>Recommendation for City</b> | NA  |        |
| <b>Recommendation for BIA</b>  | <p>Bank reconciliations should be completed by a designated individual(s) other than the Treasurer. The Treasurer should independently review the bank reconciliations, ideally monthly or at least quarterly. After the treasurer's review, bank reconciliations should be presented to the Board for approval as part of the minuted agenda.</p> <p>Evidence of the date and occurrence of the Treasurer's review of the Bank Reconciliation should also be retained.</p> |        |
|                                |   |        |
| 19                             | Records Retention   | High   |
| <b>Finding</b>                 | <p>Based on the requests made in the general review of the bylaw compliance review, appropriate record and retention protocols are in place for recent records. Historical records over two years old were more challenging to acquire or were not acquired. Several of these were corporate minutes that should have been retained.</p>  |        |
| <b>Implication</b>             | Non-compliance with Governance Bylaw. Missing minutes and records can have serious legal, financial, operational, and reputational consequences.  |        |
| <b>Recommendation for City</b> | NA  |        |
| <b>Recommendation for BIA</b>  | The BIA should ensure a robust system for recording and storing key documents is in place.  |        |
|                                |   |        |
| 20                             | Bookkeeping Agreement   | High   |
| <b>Finding</b>                 | Other than considering implied approval via payment of bookkeeper fees, evidence of the board's approval of the bookkeeper was unavailable. A formal agreement of services, terms and conditions, and fees were detected was not always available.  |        |

| #                              | Title  | Rating      |
|--------------------------------|--|-------------|
| <b>Implication</b>             | Non-compliance with Governance Bylaw. Increased risk of challenges and lack of clarity/accountability should a dispute or disagreement arise.  |             |
| <b>Recommendation for City</b> | NA   |             |
| <b>Recommendation for BIA</b>  | The BIA should ensure that the bookkeeping service engaged has a formal agreement of services, terms and conditions, and fees.   |             |
|                                |  |             |
| <b>21</b>                      | <b>Financial Statement Submission</b>  | <b>High</b> |
| <b>Finding</b>                 | The BIA did not submit the annual report with financial statements within the timeframe required by the City (April 26, 2024). The audited financial statements were received on July 23/24 and issued to the City on August 20, 2024.   |             |
| <b>Implication</b>             | Non-compliance with Governance Bylaw. Late reporting may result in reduced transparency, inability to respond to challenges, and timing impacts on overall City financial reporting.   |             |
| <b>Recommendation for City</b> | The City should review the various BIA's financial reporting challenges to identify success factors and root causes and understand the obstacles creating delays in overall reporting.   |             |
| <b>Recommendation for BIA</b>  | The BIA should quickly escalate challenges and concerns related to financial reporting to their City contact in a formal manner.   |             |
|                                |  |             |
| <b>22</b>                      | <b>Financial Statement Package</b>   | <b>High</b> |
| <b>Finding</b>                 | The Governance Bylaw requires timely submission of the financial records to the external auditors. However, timely submission was not noted for 4 of the 9 BIAs.   |             |
| <b>Implication</b>             | Non-compliance with Governance Bylaw. Loss of interest and reduced cash flow.  |             |
| <b>Recommendation for City</b> | The City should review the various BIA's financial reporting challenges to identify success factors and root causes and understand the obstacles creating delays in overall reporting. Based on this information, reporting practices/processes and/or timing changes may be required. |             |
| <b>Recommendation for BIA</b>  | The BIA should ensure all relevant records are provided to the external audit within the required timeline.  |             |
|                                |  |             |
| <b>23</b>                      | <b>HST Submission</b>  | <b>High</b> |
| <b>Finding</b>                 | The Governance Bylaw requires timely submission of the HST filings. However, evidence to support the timely submission was not noted for some Boards.  |             |
| <b>Implication</b>             | Non-compliance with Governance Bylaw. Loss of interest and reduced cash flow.  |             |
| <b>Recommendation for City</b> | NA   |             |



| #                                 | Title   | Rating |
|-----------------------------------|---|--------|
| <b>Recommendation<br/>for BIA</b> | The BIA should ensure annual HST filings occur within 3 months or less of year-end. |        |
|                                   |   |        |

## Appendix A - Rating descriptions

### Findings

| Rating             | Description  |
|--------------------|--|
| High               | Significant Portion of Compliance Activity Not In Effect - Action Required |
| Moderate           | A Portion of Compliance Activity Not In Effect - Action Required           |
| Low                | Minimal Portion of Compliance Activity Not In Effect - Action Required     |
| Pending City Input | City Input Suggested Before the BIA Takes Action                           |

## **E.3 HERITAGE APPROVALS & ROSELAND GOLF COURSE SHED AUDITOR GENERAL COMPLAINT INVESTIGATION**



Office of the Municipal Auditor General,  
The Corporation of the City of Windsor

March 21, 2025

## HERITAGE APPROVALS & ROSELAND GOLF COURSE SHED AUDITOR GENERAL COMPLAINT INVESTIGATION

# REPORT

## Executive Summary

### Background

An allegation was received regarding Roseland Golf Course, indicating that in 2008, the demolition of old sheds and the erection of new sheds occurred without a Heritage Permit. In this instance, the City is both the applicant and the regulator.

The Heritage Permit process was not in place at the time of the maintenance shed work related to Roseland Golf Course Administration. At that time Administration was bringing requests for demolition to Council seeking “written consent” under the Ontario Heritage Act. As such, the allegation has been modified to reflect the requirements at that time, which align to the Heritage Act.

**Revised allegation:** An allegation was received regarding Roseland Golf Course, indicating that in 2008, the demolition of old sheds and the erection of new sheds occurred without a ~~Heritage Permit~~ [Council’s written consent](#). In this instance, the City is both the applicant and the regulator.

### Investigation Approach

This report examines whether appropriate heritage approvals were obtained for the demolition and reconstruction of structures located on a municipally owned, heritage-designated property.

The investigation was initiated to clarify compliance with the *Ontario Heritage Act*, the relevant City of Windsor by-laws, and internal procedures related to alterations on heritage properties. The focus included work concerning the Roseland Golf Course Maintenance Sheds in late 2008 and early 2009.

The approach involved:

- Verifying the heritage designation status of the property;
- Reviewing City records for permits or approvals issued in relation to the work;
- Assessing whether alternative approvals or documented rationales were in place where formal permits were not found;
- Analyzing legislative and regulatory requirements under the *Ontario Heritage Act* and City by-laws; and
- Evaluating the alignment of administrative actions with those requirements.

As the property in question is municipally owned, the City has a dual responsibility—both as the regulator and as a property owner—to ensure full compliance with provincial heritage legislation and its own policies. This report seeks to support transparency,

accountability and informed decision-making regarding heritage stewardship and approval processes.

### Scope Limitation

Given the time when the allegation occurred, investigators could not confirm what general guidance or documentation was published on the City's website in late 2008. As a result, this review could not assess the specific heritage information, instructions, or procedural content that may have been accessible to staff or the public through the City's website during that period.

### Summary of Procedures and Findings

Summary of Allegation Investigation Results:

**Allegation:** An allegation was received regarding Roseland Golf Course, indicating that in 2008, the demolition of old sheds and the erection of new sheds occurred without Council's written consent. In this instance, the City is both the applicant and the regulator.

#### Conclusion: Allegation partially warranted.

The new maintenance sheds adhered to the OHA alteration requirements.

The recommendations adopted for demolition/removal of the previous sheds indicate implied approval. They did not have explicit wording indicating that written City Council approval was required to remove/demolish a structure on heritage-designated property as per the OHA. To an independent reviewer, it is unclear if the City Council of the time would have known they were also exercising their authority as the regulator under the OHA for these recommendations.

Recommendations for Administration may be summarized as follows:

1. In the future, any and all removal/demolition of structures on heritage-designated properties should clearly indicate that City Council's approval is being sought for removal/demolition of a structure on heritage-designated property under the OHA.



# Contextual Information

## *Property Under Consideration*

The allegation relates to maintenance sheds at the Roseland Golf Course. The building permit drawings refer to the New or Proposed Maintenance Shed.

The paperwork from 2008 does not delineate whether there was a demolition/ removal of the old shed.

A review of the plans indicates (1) the use of the phrase “new” and “proposed” quite often and (2) some of the drawings indicated that the “new” structure was placed between the old shed and the clubhouse.

The images to the right show the shed in 2010 as being in a different location from the shed in the 2008 image. Further, the size and orientation have changed.

Given the above information, we conclude that a new structure was built, and the old shed was removed at some point before the photo in 2010.

## *Legislative Authority for Heritage Property Management*

In Ontario, the regulation, protection, and alteration of heritage properties are governed primarily by two key statutes: the **Municipal Act, 2001** and the **Ontario Heritage Act (OHA)**. Each plays a distinct but complementary role in defining the responsibilities and authorities of municipalities, including the enactment and enforcement of heritage-related decisions.

2008 Aerial Image Roseland Golf Course



2010 Aerial Image Roseland Golf Course



The Municipal Act, 2001 provides municipalities with broad powers to govern and manage local affairs, including land use, planning, and the development of by-laws. However, these powers are subject to the constraints and requirements of other provincial legislation, including the Ontario Heritage Act. Where the OHA applies, it takes precedence in heritage matters.

The OHA specifically outlines the processes and obligations related to the identification, designation, alteration, and demolition of heritage properties. Under this Act:

- Municipal councils have the authority to designate properties as having cultural heritage value or interest;
- They are also responsible for reviewing and approving any proposed alterations, demolitions, or removals affecting such properties;

Complementing these legislative frameworks are municipal by-laws, which include formal heritage designation by-laws for individual properties. These by-laws provide the legally binding description of a property's heritage attributes, and any review of proposed changes must consider the wording and intent of these designations.

### *Application to City-Owned Heritage Properties*

When a municipality, such as the City of Windsor, is the owner of a designated heritage property, it is not exempt from the requirements of the OHA or its own heritage by-laws. The City must adhere to the same processes and standards that apply to private property owners. This includes:

- Submitting an application for a Heritage approval before undertaking any demolition, removal, or significant alteration of structures on the property;
- Ensuring that any proposed changes align with the designating by-law and are approved by Council, where required under the OHA;
- Respecting its obligations under its own heritage policies and procedures, including consultation with the Municipal Heritage Committee.

The City must act in accordance with the OHA and its own by-laws, even in situations where it is both the applicant and the regulator. This dual role requires particular attention to transparency, consistency, and statutory compliance.



# Summary of Investigation Approach Results

| # | Approach  | Summary of Key Findings   |
|---|---|---|
| 1 | <b>Confirm Heritage Designation Status</b><br>Verified whether the property in question is formally designated under the <i>Ontario Heritage Act</i> and subject to associated heritage protection requirements.  | 455 Kennedy Drive West, Roseland Golf Course, was designated a Heritage Property by Bylaw 281-2003 at the time of the allegation's occurrence - 2008/9.<br><br>As such, it is formally designated under the <i>Ontario Heritage Act</i> and subject to associated heritage protection requirements.                                 |
| 2 | <b>Obtain Records and Input from City Administration</b><br>Requested and reviewed documentation from Administration regarding: <ul style="list-style-type: none"> <li>Heritage permits issued for the demolition and rebuilding of the maintenance sheds in late 2008 and early 2009; and</li> <li>Any heritage approvals related to the removal and construction of sheds at the Roseland Golf Course location.</li> </ul>              | Inquired of management, building permit documentation was available, but no explicit Heritage approvals were found.<br><br>Evidence, an email from the Manager of Planning Policy, indicating that the proposed maintenance building would not impact heritage attributes, was included in the building permit supporting evidence. |
| 3 | <b>Assess for Equivalent Approvals or Documented Rationale</b><br>Where no formal heritage permits were located, determined whether: <ul style="list-style-type: none"> <li>Alternative or equivalent heritage approvals were granted through other mechanisms; or</li> <li>A documented rationale exists explaining why heritage permits were not obtained, particularly in relation to work involving structures situated on</li> </ul> | No other approvals or supporting rationale were noted in the building permit package.   |

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|   | designated heritage lands.  |  |
| 4 | <p><b>Review Legislative and Policy Requirements</b></p> <p>Conducted a review of applicable regulatory and policy frameworks, including:</p> <ul style="list-style-type: none"> <li>• The <i>Ontario Heritage Act</i>;</li> <li>• Relevant City of Windsor by-laws and official procedures; and</li> <li>• City-published materials outlining the permit requirements and approval processes for heritage-designated properties.</li> <li>• This analysis focused on identifying whether a Heritage Permit—or equivalent approval—was legally required for the type of work undertaken.</li> </ul> | <p><u><i>Ontario Heritage Act</i></u></p> <p>Alteration:</p> <ul style="list-style-type: none"> <li>• Council's written approval is required for alterations to designated heritage properties. An exception to this would be where the alteration is not likely to affect the property's heritage attributes.</li> <li>• Council may delegate approval powers to the City Planner and other designated authorities.</li> <li>• The delegation of authority does not bypass the requirement for written consent; instead, it delegates the authority to issue one.</li> </ul> <p>Demolition/Removal:</p> <ul style="list-style-type: none"> <li>• If a property is designated under the Ontario Heritage Act, you must obtain written approval from Council before demolishing any structure on the property. Even if the shed was not mentioned in the heritage designation, its demolition still requires approval from Council (per OHA) and the municipal heritage committee or planning department (per City of Windsor).</li> <li>• No delegation of authority for such demolition/removal appears to be permitted by Council</li> </ul> <p>City of Windsor Website:</p> <ul style="list-style-type: none"> <li>• Erection, Demolition and Removal require Heritage Permits. This is the current publication and aligns with the OHA, but an investigator cannot determine the website information was as posted in 2008.</li> </ul> <p>Bylaws:</p> <ul style="list-style-type: none"> <li>• The City of Windsor Official Plan• Volume I - Heritage Conservation - 9.3.4.1.b. Requiring any person who proposes to demolish or alter a designated heritage property to submit plans to Council for approval under the Ontario Heritage Act;</li> <li>• Bylaw 156-2005 was considered but did not clearly define demolition or removal related</li> </ul> |

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|   |   | <p>to heritage-designated properties. Bylaw 147-2011 did include such elements, but it came into effect after the point in time of this allegation.</p> <p>The OHA does not explicitly reference "new builds" in all contexts, it is the investigators' understanding that municipalities often interpret the provisions related to <b>alterations</b> and <b>erections</b> to require approval for new construction on heritage properties. This ensures that any new development is sympathetic to and does not detract from the property's heritage attributes. They often fall in as Alterations unless there is a Demolition/Removal and then a new build in the same space.</p> <p>OHA requires a Heritage Permit for Alteration where heritage attributes are likely to be impacted. The approval for such a permit is given by Council; however, Council can delegate alteration approvals to Administration. Where they are not likely to be impacted, such a permit is not required.</p> <p>OHA requires written approval from Council for removing or demolishing any structure on a heritage-designated property.</p> <p>The current City website indicates that Heritage Permits are required for the Erection, Demolition and Removal of structures on heritage-designated property. The Official City plan reiterates the requirement related to Demolition and Removal.</p> <p>The official city plan reinforces compliance with OHA.</p> |
| 5 | <p><b>Evaluate Consistency with Requirements</b></p> <p>Compared the evidence and explanations provided by Administration against the legislative and procedural requirements to determine whether:</p> <ul style="list-style-type: none"> <li>• The appropriate approvals were in place at the time of the work; and</li> <li>• The City, as property</li> </ul> | <p>The new maintenance sheds were located in a new location from the previous sheds. Therefore, they are subject to alteration requirements. As such, Planning was consulted and deemed that the new shed was unlikely to impact heritage attributes. As such, Administration determined there was no requirement for a Heritage approval.</p> <p>This was in accordance with the OHA.</p> <p>The previous maintenance sheds were removed sometime between 2008 and 2010. In June 30, 2008 and October 6, 2008 City Council received and approved two reports with recommendations related</p>  |

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| <p>owner, complied with its obligations under the <i>Ontario Heritage Act</i> and its own by-laws.</p> | <p>to these sheds. A review of these two reports indicates the following:</p> <ul style="list-style-type: none"> <li>• The June 30, 2008 report speaks to the recommendation of the time that: <p>“That City Council approve the provision of interim financing in the range of \$600,000 - \$700,000 (subject to final tendering) to Roseland Golf &amp; Curling Club for the construction of a Maintenance Building with to this amount being full repaid with applicable interest from future operating budget surpluses of Roseland Golf &amp; Curling Club.”</p> <p>There is no explicit mention of removing or demolishing the previous sheds. There is a statement in the Background section indicating the new maintenance sheds are to “replace the current garages”.</p> </li> <li>• The October 6, 2008 report speaks to a recommendation regarding the tender's awarding and the approval to enter into an agreement. This report has a more explicit statement: “The existing maintenance building has been in use since 1970 and can not be economically repaired. Additionally, the current structure posed several health and safety risks, which required immediate action.</li> </ul> <p>The OHA requires written approval from City Council if a structure is to be removed or demolished on a heritage-designated property, regardless of its impact on heritage attributes. From an independent read of the reports to Council, while there may be implied approval of the removal of the old shed, it is not explicit and there is no mention that Council is approving the removal/demolition of a structure on heritage-designated property as required by the OHA.</p> <p>In this instance, the City is both the applicant and the regulator. A dual role such as this requires particular attention to transparency, consistency, and statutory compliance - special attention must be paid to the principles of equity in enforcement. The assessment process, submissions and approvals should be equivalent to those that would be applied</p> |
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|  |  | <p>if a private citizen or third party were the applicant under the same circumstances.</p> <p>As such, explicit statements for the removal/demolition of structures on the heritage-designated property as required by OHA should have been included in one of the original Recommendations, ideally the first one.</p> |
|--|--|--|

## Conclusion

**Allegation:** In 2008/9, the demolition of old sheds and the erection of new sheds occurred at Roseland Golf Course, a heritage-designated property, without a Heritage Permit.

**Conclusion:** Allegation partially warranted.

The new maintenance sheds adhered to the OHA alteration requirements.

The recommendations adopted for demolition/removal of the previous sheds indicate implied approval. They did not have explicit wording indicating that written City Council approval was required to remove/demolish a structure on heritage-designated property as per the OHA. To an independent reviewer, it is unclear if the City Council of the time would have known they were also exercising their authority as the regulator under the OHA for these recommendations.

# Recommendations:

## 1. Non-compliance Consequences

The OHA requires written approval from City Council if a structure is to be removed or demolished on a heritage-designated property, regardless of its impact on heritage attributes. From an independent read of the reports to Council, while there may be implied approval of the removal of the old shed, it is not explicit and there is no mention that Council is approving the removal/demolition of a structure on heritage-designated property as required by the OHA.

In this instance, the City is both the applicant and the regulator. A dual role such as this requires particular attention to transparency, consistency, and statutory compliance - special attention must be paid to the principles of equity in enforcement. The assessment process, submissions and approvals should be equivalent to those that would be applied if a private citizen or third party were the applicant under the same circumstances.

As such, explicit statements for the removal/demolition of structures on the heritage-designated property as required by OHA should have been included in one of the original Recommendations, ideally the first one.

It is recommended that Administration consider:

1. The Heritage Planner should review the specific findings of this report and the lack of explicit approval for demolition/removal under the OHA. Based on that analysis the Heritage Planner should recommend remedial/consequential action the City should undertake. As part of this analysis and recommendation, it will be essential that the Heritage Planner identifies what would be (with support from what has been done) for similar scenarios where a party other than the City has been, or should have been, the applicant. Essential equivalency with treatment/consequence should be evident.
2. In the future, any and all removal/demolition of structures on heritage-designated properties should clearly indicate that City Council's approval is being sought for removal/demolition of a structure on heritage-designated property under the OHA.

| Administration Response   |
|---|
| <ol style="list-style-type: none"> <li>1. No additional action is required. The residential garage structures that were removed had no heritage value and did not have an impact on the heritage features referenced in the Roseland Designation Bylaw. Future process improvements to address the concern that Council may not have understood that their approval to remove the structures was being done under the Ontario Heritage Act are described in response to Recommendation 2 below.</li> <li>2. In the past, City Council has provided approval for alterations and demolitions on heritage properties via a Council report brought forward by the City's Heritage Planner. Application was made via a letter addressed to the City outlining the desire to alter or demolish a structure on a designated heritage</li> </ol> |

property or a property located within a Heritage Conservation District (HCD).

A more formal application process and permit were developed as part of the Sandwich Heritage Conservation District that was adopted in 2011. The concept for a Heritage Alteration Permit (Permit or Heritage Permit) is well documented in the Sandwich HCD plan. According to the Sandwich HCD plan, Council's written consent for alteration and/or demolition would come in the form of a Heritage Alteration Permit (HAP). This approach was adopted for all heritage approvals across the city, with the first record of a HAP going to Council in 2013.

This has been the formal process for heritage approvals in the city since, including for City-owned properties. This process will also prevent a situation where Council is presented with a city project that proposes alteration or demolition without it being explicit that they are exercising their responsibilities and authority under the OHA.

The current process for a heritage demolition is for the department that is leading the City project to complete the HAP application form, then submitting it to the Heritage Planner for processing. The Heritage Planner then prepares a recommendation for Council based on the heritage context and according to Heritage Standards, including but not limited to Standards and Guidelines for the Conservation of Historic Places in Canada and other broadly accepted/recognized heritage conservation resources and practices. A Heritage Alteration Permit is issued following Council's approval of the demolition request. The HAP represents City Council's consent under the Ontario Heritage Act. Conversely, the Heritage Alteration Permit is not issued if Council denies the request for demolition.

Additionally, O. Reg. 385/21 came into force on July 1, 2021. The regulation set out new rules to implement the changes made to the Ontario Heritage Act through Bill 108, specifically establishing the minimum requirements for complete applications for demolition or alteration of a protected property.

All of the information related Heritage Alteration Permits, including the City's website have been updated to reflect the O. Reg. 385/21 regulations. The City of Windsor website provides helpful information about what a Heritage Alteration Permit is and when it is applicable. Specifically, a permit is required for specific changes to properties designated under Part IV (individual properties) or Part V (heritage conservation districts) of the Act when an alteration, addition, or demolition is being proposed.

<https://www.citywindsor.ca/residents/planning/plans-and-community-information/know-your-community/heritage-planning/heritage-regulation/heritage-alteration-permit>

Further, the website also the application form and provides some assistance and guidance about how to complete and submit a complete heritage permit application.

<https://www.citywindsor.ca/residents/planning/plans-and-community-information/know-your-community/heritage-planning/heritage-regulation/Application-for-Heritage-Alteration-Permit>

The following link is for the Application Form for Heritage Permit:

[https://www.citywindsor.ca/Documents/residents/planning/plans-and-community-information/know-your-community/heritage-planning/heritage-regulation/Heritage%20Permit%20Form%202023-11\\_FILLABLE.pdf](https://www.citywindsor.ca/Documents/residents/planning/plans-and-community-information/know-your-community/heritage-planning/heritage-regulation/Heritage%20Permit%20Form%202023-11_FILLABLE.pdf)

There is also link to a document that outlines the Heritage Permit process for demolitions and comprehensive list of required information that must accompany a complete application.

<https://www.citywindsor.ca/Documents/residents/planning/plans-and-community-information/know-your-community/heritage-planning/heritage-regulation/Notice%20of%20Intent%20to%20Demolish%20Requirements%202023-11.pdf>

Per past practice for alterations (not demolitions) to heritage properties, certain classes of heritage applications have been addressed by Administration, specifically when the proposed work is:

- 1) considered minor or non-substantive;
- 2) verified by City staff to be acceptable and appropriate to the Heritage context and according to Heritage Standards (including but not limited to Standards and Guidelines for the Conservation of Historic Places in Canada and other broadly accepted/recognized heritage conservation resources and practices); and,
- 3) determined by City staff to not result in negative disruption or displacement to the cultural heritage value or interest of the property, or adversely impact the heritage designation of the property.



This approach has been codified in a more formal way through the City Planner Bylaw 139-2013 which delegates authority to the City Planner to process and consent to categories of alterations to designated heritage properties pursuant to s.33 of the Ontario Heritage Act subject to the criteria list above.

Further, all heritage properties are mapped on the corporate Enterprise Information System (EIS) to allow for easy identification of heritage properties, so that Building Permits for work that would alter or demolish all or part of a heritage property would not be issued prior to seeking the necessary Council approval (i.e. a Heritage Permit). This mapping also allows for city projects on heritage properties to be flagged and the appropriate heritage approvals secured

|                    |  |           |  |
|--------------------|--|-----------|--|
| Responsible Party: |  | Due Date: |  |
|--------------------|--|-----------|--|

## **E.4 INVESTMENT PRACTICES AUDITOR GENERAL COMPLAINT INVESTIGATION**

May 7, 2025

**INVESTMENT PRACTICES  
AUDITOR GENERAL COMPLAINT INVESTIGATION**

# REPORT

## Executive Summary

### Background

The complainant alleges that:

1. Administration recommended an Investment in April 2024. The investment policy change effectively sets the portfolio limit for credit unions at 35% and the limit for individual institutions at 25% (this is given limits and discretionary powers). One of the supports noted was a review of four comparator municipalities (not named in the report provided to Council). However, after the complainant conducted a “thorough search, they have been unable to find any municipal investment policies that contain limits this high for investments in the credit union sector or for individual institutions.”
2. The flexibility offered by treating the Windsor-Essex Hospital Plan Investment Portfolio as a separate portfolio in terms of complying with maximum portfolio limitations (both sector and institutional) has led to an over-concentration of risk for this investment in one sector or a single institution.
3. Based on Administration’s report to the Council, the City’s investments have exceeded sector and institutional limits in 2022 and 2023. This has not been correctly reported to Council (per the Municipal Act Reg. 438/97 (8.1) and the City’s Investment Policy clause 4.6.7).
4. The City of Windsor’s investment governance structure may lack sufficient oversight and transparency. Specifically related to three concerns.
5. The City of Windsor may lack sufficient oversight over its investment practices, particularly regarding the General Investment Portfolio and the Windsor-Essex Hospital Plan Investment Portfolio, which together total approximately \$621 million in reserve funds. Unlike some other Ontario municipalities that mandate independent or external audit review of their investment activities as part of their formal investment governance, Windsor does not currently require such review. This raises concerns about whether the City’s investment decisions and use of discretion are subject to adequate independent scrutiny, and whether the current oversight framework provides sufficient accountability for the management of significant public funds.

**Investigation Approach Allegation #1:**

1. Consider the Council decision and the role of the Auditor General in such an allegation.
2. Assess whether the policy change was implemented transparently.
  - a. Understand which four municipalities were considered as part of Administration's analysis.
  - b. Reviewing the four investment policies, or equivalent evidence, to ascertain the support for the Administration's statement.
  - c. Assess if the change was considered in public in a manner consistent with other policy changes.
3. Consider the risk of 3.2.7 and permitted use/exposure
  - a. Consider the requirements of clause 3.2.7.
  - b. Consider if 2022 and 2023 Credit Union holdings exceeded the former limit, and if required disclosures were provided and permitted.
4. Consider concentration/portfolio and sector risks in light of peers.
  - a. Sector Concentration Risk
  - b. Consider total possible portfolio limits compared to the four comparators used by Administration
  - c. Consider changes in the sector related to Credit Unions

**Allegation #2:**

1. Determine if the Windsor-Essex Hospital Plan Investment Portfolio is approved to be established as a separate portfolio.
2. Review evidence to determine if the compliance report shows the portfolio is within limits.
3. Are there specific limits, and does the Investment Policy Framework apply to the Hospital Fund?

**Allegation #3:**

1. Consider if there is a breach of provincial regulation 438/97.
2. Consider if there is a breach of Investment Policy Limits, considering Council-Authorized Exceptions.
3. Consider if there is a breach of the City's Investment Policy related to clause 4.6.7

**Allegation #4:**

1. Consider the delegation and discretionary limits in place at the City compared to other municipalities, including the four comparators used by Administration.
2. Consider the reporting transparency in place at the City compared to other municipalities, including the four comparators used by Administration.

**Allegation #5:**

1. Determine if there is any legal necessity for an independent review.
2. Consider and compare with the peers previously used in other tests in this investigation.

**Summary of Conclusion and Findings****Support was not found for the majority of the allegations.**

Allegation #1: The allegation is not supported.

Allegation #2: The allegation is not supported.

Allegation #3: The allegation is not supported.

Allegation #4: The allegation is partially warranted.

Allegation #5: The allegation is not supported.

**Recommendations for Administration regarding:**

1. Further enabling transparency and accountability, Administration should consider including comparator names and summary comparisons in future public materials.
2. Administration should conduct periodic stress testing or sensitivity analysis to assess downside risk scenarios (e.g., interest rate shocks, deposit insurance events, liquidity mismatches), or other oversight controls to monitor sector concentration risk and why, or why not, it is a concern.
3. Consider low-cost transparency improvements (e.g., reporting discretionary use or holdings by institution), and reassess the need for larger-scale changes only if similar concerns arise again or if the City's investment structure grows in complexity or scale.

Management has provided responses to address the findings.

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## Contextual Information

The scope Period was for the 2022 and 2023 investments, related compliance reports, and supporting documents.

The Municipal Act 2001 and ONTARIO REGULATION 438/97 govern municipalities with regard to the investment limitations/boundaries.

The Municipal Act, 2001 (Ontario) provides the legal foundation and authority for municipal investments in Ontario. It establishes what municipalities are allowed to do, who is responsible, and under what conditions investments can be made.

O. Reg. 438/97 is a regulation made under Section 418 of the Municipal Act, 2001, and it defines the types of investments municipalities are legally allowed to make, the rules for prudent investment, and requirements for investment policies. This regulation governs:

- The types of eligible investments (e.g., federal/provincial bonds, bank instruments),
- Requirements for an Investment Policy,
- Additional rules if the Prudent Investor Standard is adopted.

Under the Municipal Act and O. Reg. 438/97, municipalities may develop their own policies/guidelines related to investments, as long as they align with or are enabled by the Regulation. If a municipality wants broader flexibility (e.g., under the Prudent Investor Standard), it must meet specific conditions and formally opt into that regime. Windsor has not opted into the Prudent Investor Standard under Ontario Regulation 438/97. Instead, Windsor continues to manage its investments according to the "legal list" approach, adhering to the eligible investments specified in the Regulation.

The assessment of limits is considered at the time of the investment. Considering a point in time portfolio view (i.e. at the investment compliance report date) will not provide the perspective used when executing internal controls.

Further, the Municipal Act, 2001 (Ontario) provides the legal framework for the investment powers and responsibilities of municipal officials, including the treasurer and deputy treasurer. The relevant sections are primarily found in Part VII – Financial Administration, particularly Section 418 and Section 286.

The following summarizes some of the key points from the legislation:

### 1. Investment Powers – Section 418

Section 418(1)–(7) of the *Municipal Act* governs how municipalities can invest money.



Who may invest:

Section 418(1) states that "The money of a municipality that is not immediately required may only be invested by the municipality in the prescribed securities."

This investment is carried out by the municipality, typically through the treasurer under the authority of Council.

Delegation to Investment Managers:

Section 418(2) allows Council to authorize one or more agents (investment managers) to manage the investments, but the treasurer retains oversight responsibility.

## **2. Role of the Treasurer – Section 286**

Section 286(1) outlines the responsibilities of the treasurer:

"A municipality shall appoint a treasurer who is responsible for handling all of the financial affairs of the municipality on behalf of and in the manner directed by the council."

This includes:

- Managing and overseeing investments
- Preparing and maintaining financial records
- Ensuring compliance with investment policies and provincial regulations

## **3. Role of Deputy Treasurer – Section 286(2)**

"A municipality may appoint one or more deputy treasurers who have all the powers and duties of the treasurer under this and any other Act."

Deputy Treasurers have full delegated authority to act in the capacity of the treasurer, including:

- Making investments,
- Signing financial documents,
- Managing funds — provided they act within Council's delegated authority and policy frameworks.

## **4. Where Credit Unions Come In: O. Reg. 438/97**

The treatment of credit unions as equivalent to Tier 1 banks for investment purposes comes from the regulation, not Section 418 itself.

Under O. Reg. 438/97, Section 1(2) and (3):

Municipalities may invest in deposit instruments from:

- Schedule I, II, and III banks (i.e., federally regulated banks),
- Credit unions and caisses populaires regulated by the Deposit Insurance Corporation of Ontario (DICO) — now under the Financial Services Regulatory Authority of Ontario (FSRAO).

These are treated equally for investment purposes provided:

- They are registered in Ontario,
- Covered by a deposit insurer (like FSRAO),
- The investment is a deposit instrument (not equity or unsecured loans),
- The municipality's investment policy permits it.

As of February 22, 2021 the following Investment Strategy as it relates to the Windsor-Essex Hospital Plan was approved by City Council:

- At a minimum, rate quotes are obtained from at least five (5) independent sources with representation of at least two (2) Schedule I Banks and at least two (2) credit unions
- The annual contributions are invested in guaranteed investment certificates on a declining basis over the number of years remaining for the overall projection.
- The awarding of each annual contribution is granted based upon:
  - Rate is equal to or greater than the rate which was used in the original projections. Should there be no acceptable quote on the basis of minimum rate, that Administration accept the best alternative and report the results to City Council as part of the next regular reporting of the Fund.
  - No more than 50% of the total estimated City contribution to the Hospital end date can be placed with any one (1) institution.

# Summary of Investigation Approach Results

**Allegation #1: Administration recommended an Investment in April 2024. The investment policy change effectively sets the portfolio limit for credit unions at 35% and the limit for individual institutions at 25% (this is given limits and discretionary powers). One of the supports noted was a review of four comparator municipalities (not named in the report provided to Council). However, after the complainant conducted a “thorough search, they have been unable to find any municipal investment policies that contain limits this high for investments in the credit union sector or for individual institutions.”**

**Detailed Allegation:** On April 22, 2024, City Council passed a recommendation on its consent agenda to change the City’s investment policy by increasing the investment portfolio limits within the credit union sector from 15% to 25% and on individual institutions from 8-15%. However, the City’s investment policy already contains a clause (3.2.7) that allows the CAO and/or Treasurer to exceed portfolio and individual institution limits by up to 10%. Based on the City’s 2023 Investment Compliance Report ending December 31, 2023, more than 27% of the City’s General Investment Portfolio was already invested in the credit union sector.

I am concerned that the approved change in portfolio limits combined with the discretion provided in clause 3.2.7 will have the effect of overconcentrating the city’s investments in the credit union sector (up to 35% - 25% portfolio limit + 10% discretionary increase) and/or in any individual institution (up to 25% - 15% individual institution limit + 10% discretionary increase). This is particularly concerning given that the City’s total Investments in the credit union sector have already increased by 98% between 2021 and 2023 compared to a 5% increase in investments in the Schedule I and Schedule II Banking sectors during that same time frame.

Administration recommended the policy change which effectively sets the portfolio limit for credit unions at 35% and the limit for individual institutions at 25% in part based on a review of four comparator municipalities (not named in the report provided to Council). However, after a thorough search, I have been unable to find any municipal investment policies that contain limits this high for investments in the credit union sector or for individual institutions.

| # | Approach   | Summary of Key Findings  |
|---|--|--|
| 1 | Consider the Council decision and the role of the Auditor General in such an allegation. | <p>The increase in credit union and institutional limits, approved by Council on April 22, 2024, was enacted through a formal policy resolution.</p> <p>On April 22, 2024, Council formally approved a change to the base limits in the City’s Investment Policy (CS.A1.09), increasing:</p> <ul style="list-style-type: none"> <li>The portfolio limit for the credit union sector from 15% to 25%</li> </ul> |

| # | Approach   | Summary of Key Findings  |
|---|--|--|
|   |  | <ul style="list-style-type: none"> <li>The individual institution limit from 8% to 15%</li> </ul> <p>These changes were brought forward in an open session and adopted on consent, following Administration's policy review and benchmarking analysis.</p> <p><b>Assessment:</b></p> <p>The role of Auditor General is not to question or override Council's authority to set such limits under the Municipal Act.</p> <p>However, it is within the Auditor General's mandate to:</p> <ul style="list-style-type: none"> <li>Assess whether the policy change was implemented transparently (see Test #2)</li> <li>Ensure that any resulting investment decisions adhere to the new policy and provincial regulations (see Test #3)</li> <li>Highlight and report on emerging or systemic risks, such as sector overconcentration, even when those risks arise from a Council-approved policy (see Test #4 and Allegations 4 &amp; 5)</li> </ul>   |
| 2 | <p>Assess whether the policy change was implemented transparently.</p> <p>a. Understand which four municipalities were considered as part of Administration's analysis.</p> <p>b. Reviewing the four investment policies, or equivalent evidence, to ascertain the support for the Administration's statement.</p> | <p>2.a. Discussed approach with Administration. Administration indicated that research was conducted based on what was publicly available. Given that this is historical in nature, a re-performance may not provide the same results. Administration indicated they some screenshots may be included in the original analysis.</p> <p>The municipalities considered were Kitchener, Vaughan, York and Ottawa.</p> <p>2.b. Screenshots of the investment schedules were taken at the time of Administration's analysis. The investigator traced 12 of the Portfolio Limits and 12 of the Individual Limits out of the 18 potential fields available in each, 66.7% coverage. No issues noted.</p> <p>2.c. These changes were brought forward in an open session as part of Regular Business Items and adopted on consent, following Administration's policy review and benchmarking analysis. This is similar to other policy adjustments, and others were included in the same package.</p> <p>The agenda has the content (pages 319-320 summary and pages 328-345 for policy).</p> |

| # | Approach  | Summary of Key Findings  |
|---|---|--|
|   | c. Assess if the change was considered in public in a manner consistent with other policy changes.  | <p>Minutes show the final Consent Agenda acceptance of the item #8.3.</p> <p><b>Assessment</b></p> <p>This change was transparent, Council-directed, and legally within the authority of the City under the Municipal Act and O. Reg. 438/97.</p> <p>One observation was noted related to additional transparency (see Observation #1).</p>  |
| 3 | <p>Consider the risk of 3.2.7 and permitted use/exposure</p> <p>a. Consider the requirements of clause 3.2.7</p> <p>b. Consider if 2022 and 2023 Credit Union holdings exceeded the former limit, and if required disclosures were provided and permitted</p> | <p>3.a. Clause 3.2.7 allows the Treasurer to exceed policy limits by up to 10% only when necessary to achieve favourable investment returns, and must:</p> <ul style="list-style-type: none"> <li>• Be used within clearly defined limits.</li> <li>• Be reported annually to Council under Section 4.6.7</li> </ul> <p>The boundaries for this discretionary power are:</p> <p>(1) 5% is for a term of ≤6 months.<br/>(2) 10% must have 100% guarantee of principal.</p> <p>It is not cumulative with the base limits, meaning the policy does not entitle automatic exposure up to 35% in credit unions or 25% in a single institution unless:</p> <ul style="list-style-type: none"> <li>• Such exposure is justified</li> <li>• Actively monitored</li> <li>• Reported in full transparency</li> </ul> <p>3.b. Under the City's pre-2024 investment policy, the credit union sector limit was 15%.</p> <ul style="list-style-type: none"> <li>• In both 2022 and 2023, the General Investment Portfolio exceeded that limit: <ul style="list-style-type: none"> <li>○ 2022: 25.01% credit union exposure</li> <li>○ 2023: 27.34% credit union exposure</li> </ul> </li> <li>• In both cases, the Treasurer invoked the discretionary authority provided under Investment Policy section 3.2.7, which allows up to a 10% increase above the policy limit to achieve better returns (within the required discretionary boundaries).</li> </ul> <p>2022 Report Disclosure (p.10):</p> |

| # | Approach   | Summary of Key Findings   |
|---|--|---|
|   |  | <p>“Investments were placed with various institutions which utilized the additional institutional room as authorized by section 3.2.7...”</p> <p>“There were no occurrences of non-compliance to be reported...”</p> <p>2023 Report Disclosure (p.10):</p> <p>“Funds... utilized the additional institutional room as authorized by section 3.2.7...”</p> <p>“There were no occurrences of non-compliance...”</p> <ul style="list-style-type: none"> <li>• The disclosures satisfy Investment Policy clause 4.6.7, which requires reporting of discretionary limit use with rationale as part of the annual report to Council.</li> </ul> <p><b>Assessment</b></p> <p>In both years, the increased exposure was within the delegated 10% flexibility, and Council was properly informed through the required annual reporting mechanism.</p>  |
| 4 | <p>Consider concentration/portfolio and sector risks in light of peers</p> <p>a. Sector Concentration Risk — Emerging Risk, Trend Confirmed</p> <p>b. Consider total possible portfolio limits compared to the four comparators used by Administration</p> <p>c. Consider changes in the sector related to Credit Unions</p> | <p>4.a. Credit union exposure in the General Investment Portfolio increased from approximately 13.6% in 2021 to:</p> <ul style="list-style-type: none"> <li>• 25.01% in 2022, and</li> <li>• 27.34% in 2023<br/>→ A 98% increase over two years, significantly outpacing growth in Schedule I and II Bank investments (5% increase in the same period).</li> <li>• The 2024 policy amendment raised the credit union sector limit to 25% and the individual institution limit to 15%, with the Treasurer retaining up to 10% discretionary authority under clause 3.2.7.</li> <li>• This means exposure could now lawfully reach 35% sector-wide, and up to 25% in a single credit union under Council-approved limits and delegated discretion. Further the 5% &gt;=6 months or 10% with 100% principal guarantee would be required.</li> </ul> <p>4.b. Various Credit Union Investment Limits – With Discretionary Authority Considered - see Appendix A. Windsor</p> |

| # | Approach | Summary of Key Findings  |
|---|----------|--|
|   |          | <p>is unique among these municipalities in:</p> <ul style="list-style-type: none"> <li>• Explicitly defining both base limits and a specific discretionary override (+10%)</li> <li>• Requiring formal disclosure to Council (Investment Policy clause 4.6.7)</li> <li>• Demonstrating documented use of discretion in 2022 and 2023</li> </ul> <p>4.c. Credit union exposure rose from ~13.6% (2021) to 27% by the end of 2023, a 98% increase.</p> <ul style="list-style-type: none"> <li>• This trend significantly outpaces growth in Schedule I and II Bank investments (5% over the same period).</li> <li>• The 2024 policy change raises the sector limit to 25%, with potential for an additional 10% discretionary increase under clause 3.2.7, allowing up to 35% exposure to credit unions.</li> <li>• This reflects a deliberate strategy outlined in the compliance report to optimize yield during rising interest rate cycles, where credit unions offered competitive rates within regulatory limits.</li> <li>• Even with expanded limits, the City is: <ul style="list-style-type: none"> <li>○ Bound by provincial eligibility rules (O. Reg. 438/97)</li> <li>○ Required to maintain credit rating standards</li> <li>○ Subject to annual compliance reporting to Council</li> </ul> </li> <li>• The City has not placed funds in uninsured or unrated vehicles, and credit union exposure remains in eligible deposit instruments with acceptable risk ratings.</li> </ul> <p><b>Assessment</b></p> <p>The City's investments continue to meet:</p> <ul style="list-style-type: none"> <li>• All requirements under O. Reg. 438/97 (Legal List)</li> <li>• Minimum credit rating standards</li> <li>• Internal reporting obligations (e.g., Treasurer's Statement of Compliance)</li> <li>• The City's credit union holdings remain in eligible deposit instruments with capital protection and acceptable creditworthiness at the time of placement.</li> </ul> <p>However, as exposure to any one financial sector grows, the City's sensitivity to shifts in that sector's performance increases, warranting additional forward-looking risk management tools, such as:</p> |

| # | Approach | Summary of Key Findings   |
|---|----------|---|
|   |          | <ul style="list-style-type: none"> <li>• Sector caps for sub-funds</li> <li>• Credit risk diversification thresholds</li> <li>• Periodic third-party benchmarking</li> </ul> <p>One observation related to sector concentration risk. See Observation #2.</p> |

### Conclusion: The allegation is not supported.

Given the complexity of the investment process/practices, as well as the City policies and approach to threshold calculations the initial allegation is understandable.

However, the City is in compliance with the Municipal Act, Ontario Regulation 438/97 and the City Investment Policy. The City of Windsor has lawfully expanded its credit union investment limits through a Council-approved amendment in April 2024, raising the base portfolio limit to 25% and the individual institution limit to 15%. In addition, the Treasurer retains the delegated authority under clause 3.2.7 of the Investment Policy to exceed these limits by up to 10%, resulting in a potential effective exposure of up to 35% portfolio-wide and 25% per institution. This discretionary power is to be used only within the approved boundaries (5% >=6 months or 10% with 100% principal guarantee).

This structure is unique among comparable Ontario municipalities, most of which either:

- Do not explicitly permit credit union investments at this scale, or
- Lack defined discretionary override provisions.

While Windsor's framework remains compliant with the Municipal Act and O. Reg. 438/97, and appropriate disclosures were made in the 2022 and 2023 Investment Compliance Reports, the City's relative position in the sector and its increased exposure to credit unions constitute an emerging concentration risk. This is particularly notable given the 98% increase in credit union holdings between 2021 and 2023, compared to just 5% growth in Schedule I/II bank investments.

Accordingly, while no breaches or reporting failures have occurred, enhanced risk oversight may be warranted. The following observations were noted:

1. **Comparator Transparency:** While Administration compared the current and proposed policy limits with other selected municipalities, the comparators were not publicly disclosed. Without disclosure of comparators, Council and the public cannot verify whether Windsor's new limits align with sector norms.
2. **Sector Concentration Risk Management:** This concentration could expose the City to liquidity risk, counterparty risk, and regional financial sector dependency, particularly if credit union sector fundamentals change.








**Allegation #2:** The flexibility offered by treating the Windsor-Essex Hospital Plan Investment Portfolio as a separate portfolio in terms of complying with maximum portfolio limitations (both sector and institutional) has led to an over-concentration of risk for this investment in one sector or a single institution.

As of December 31, 2023 the balance of this portfolio which contains funds related to the City's obligatory share of the Windsor-Essex Hospital Plan stood at over \$72 million with 60.89% or \$44 million of those funds invested in credit unions. This level far exceeds the limits set in the City's Investment Policy, even with the change made on April 22, 2024. My understanding, based on reports found in Council agendas, is that Administration was granted approval to treat the hospital reserve fund as a separate portfolio in terms of complying with maximum portfolio limitations (both sector and institutional). However, it is unclear as to whether there are any investment parameters or portfolio limits that apply to this investment at all or whether City staff has complete discretion as to how these funds are invested. Given the recent report to council on the fund, I am concerned that this flexibility has led to an overconcentration of risk for this investment in one sector or a single institution.

| # | Approach   | Summary of Key Findings   |
|---|--|---|
| 1 | Determine if the Windsor-Essex Hospital Plan Investment Portfolio is approved to be established as a separate portfolio. | <p>On April 25, 2016, per CR 282/2016, City Council approved the establishment of a new reserve fund for the purpose of placing annual funding contributions.</p> <p>This is permitted under CS.A1.09 Investment Policy 2. Scope, 2.1.</p> <hr/> <p><b>Consider if such a resolution is permitted under the Municipal Act and ONTARIO REGULATION 438/97.</b></p> <hr/> <p>How municipalities can apply differentiated portfolio strategies within the legal list framework, without adopting the Prudent Investor regime.</p> <p>Here's how the City lawfully treats the Windsor-Essex Hospital Fund as a "standalone portfolio" under the Legal List regime (s.418):</p> <ol style="list-style-type: none"> <li>1. <u>The City is <i>not</i> using the Prudent Investor standard.</u></li> </ol> <p>This is explicitly confirmed in the report:</p> <p>"Administration has previously recommended that City Council not endorse the prudent investor standard... The current Investment Policy... is available to provide the necessary guidance..."</p> |

| # | Approach | Summary of Key Findings   |
|---|----------|---|
|   |          | <p>(p. 9)</p> <p>So they remain under Section 418 and O. Reg. 438/97 (Legal List).</p> <p>2. <u>Flexibility is granted under the Investment Policy, not the regulation.</u></p> <p>The City's Council-approved Investment Policy (CS.A1.09) includes a clause that allows this kind of flexibility within the legal framework.</p> <p>However, for the hospital fund, even greater flexibility is granted via Council direction, not just delegated authority.</p> <p>From the 2022 Report:</p> <p>"Administration was granted approval to treat the hospital reserve fund as a separate portfolio in terms of complying with maximum portfolio limitations (both sector and institutional)."</p> <p>"Further... Council provided direction in 2020 that would allow for more flexibility in terms of institutional limits allowing for larger segments... grouped with one or more financial institution..."</p> <p>(p. 7–8)</p> <p>This is not a regulatory exemption — it's a Council-sanctioned internal override to the <i>City's</i> policy limits.</p> <p><u>3. How Is This Legal If Not Using the Prudent Investor?</u></p> <p>Because Ontario Regulation 438/97 doesn't set portfolio percentage limits. It sets:</p> <ul style="list-style-type: none"> <li>○ Eligible investments (types of securities)</li> <li>○ Requirements for pooling</li> <li>○ Credit rating standards</li> <li>○ Conditions for special institutions (e.g., credit unions)</li> </ul> <p>However, it does not mandate portfolio composition</p> |

| #  | Approach   | Summary of Key Findings   |          |        |  |                                       |   |   |  |                                      |  |   |
|--|--|---|----------|--------|--|---------------------------------------|---|---|--|--------------------------------------|--|---|
|  |  | <p>rules (e.g., no regulation says “only 25% in credit unions”). Those rules are self-imposed by municipalities via their investment policies.</p> <p>So:</p> <ul style="list-style-type: none"><li>○ The City’s Investment Policy sets the 25% limit on credit union exposure</li><li>○ The Municipal Act doesn’t prohibit exceeding it, so long as all instruments are still legal under 438/97</li><li>○ Council can approve exceptions for specific funds like the Hospital Reserve Fund, especially since it’s earmarked, long-term, and treated separately for reporting</li></ul> <p><b>Summary</b></p> <table><thead><tr><th>Question</th><th>Answer</th></tr></thead><tbody><tr><td>Is the City using the Prudent Investor regime?</td><td>✗ No — still under Legal List (s.418)</td></tr><tr><td>Can they treat a fund separately for strategy/limits?</td><td>✓ Yes — if Council approves and all investments remain within Reg. 438/97</td></tr><tr><td>Is the Windsor-Essex Hospital Fund exempt from internal policy limits?</td><td>✓ Yes — by Council direction in 2020</td></tr><tr><td>Is this lawful without adopting s.418.1?</td><td>✓ Yes — because the policy overrides are local, not regulated by the province</td></tr></tbody></table> <p><b>Assessment</b></p> <p>The Windsor-Essex Hospital Plan Investment Portfolio is approved to be established as a separate portfolio.</p> | Question | Answer | Is the City using the Prudent Investor regime? | ✗ No — still under Legal List (s.418) | Can they treat a fund separately for strategy/limits? | ✓ Yes — if Council approves and all investments remain within Reg. 438/97 | Is the Windsor-Essex Hospital Fund exempt from internal policy limits? | ✓ Yes — by Council direction in 2020 | Is this lawful without adopting s.418.1? | ✓ Yes — because the policy overrides are local, not regulated by the province |
| Question   | Answer   |   |          |        |  |                                       |   |   |  |                                      |  |   |
| Is the City using the Prudent Investor regime?                         | ✗ No — still under Legal List (s.418)  |   |          |        |  |                                       |   |   |  |                                      |  |   |
| Can they treat a fund separately for strategy/limits?                  | ✓ Yes — if Council approves and all investments remain within Reg. 438/97  |   |          |        |  |                                       |   |   |  |                                      |  |   |
| Is the Windsor-Essex Hospital Fund exempt from internal policy limits? | ✓ Yes — by Council direction in 2020   |   |          |        |  |                                       |   |   |  |                                      |  |   |
| Is this lawful without adopting s.418.1?                               | ✓ Yes — because the policy overrides are local, not regulated by the province  |   |          |        |  |                                       |   |   |  |                                      |  |   |
| 2  | <p>Review evidence to determine if the compliance report shows the portfolio is within limits.</p> <p>a. Consider if the</p> | <p><b>Does the report contain the required elements?</b></p> <p>Yes — it largely complies with the Municipal Act and the City's Investment Policy CS.A1.09. Here's the breakdown:</p>   |          |        |  |                                       |   |   |  |                                      |  |   |

| # | Approach   | Summary of Key Findings   |  |  |
|---|--|---|--|--|
|   | 2022 Annual Investment Compliance Report from the City of Windsor's Treasurer contains the required elements and determine if the reporting is on a fund or portfolio basis. | <b>Required by Policy (Section 4.6)</b><br><br><b>1. Statement about portfolio performance</b><br><br><b>2. Proportion invested in the City's own securities</b><br><br><b>3. Confirmation of compliance with investment policy</b><br><br><b>4. Record of transactions in the City's own securities</b><br><br><b>5. Disclosure of any policy breaches or excess investments</b> | <b>Included in Report</b><br><br> Yes<br><br> Yes<br><br> Yes<br><br> Partially<br><br> Yes | <b>Where It Appears</b><br><br>Multiple sections, especially "General Investment Portfolio Performance" and "Trust Investment Portfolio Performance" (pp. 4–6, 12)<br><br>Mentioned under General Investment Portfolio (Appendix A), but not deeply analyzed. Could benefit from clearer reporting.<br><br>"City Treasurer's Statement of Compliance" (p. 10)<br><br>It lists investments and maturity dates but does not have a full transaction ledger. This is typically fulfilled by internal documentation rather than a public report. Observed sample listing of transactions, specifically related to the hospital fund.<br><br>States there were no occurrences of non-compliance, and any authorized overages were under section 3.2.7 (p. 10) |

| # | Approach | Summary of Key Findings   |
|---|----------|---|
|   |          | <p>6. <b>Statement on compliance with credit rating standards</b> <input checked="" type="checkbox"/> Yes Explicitly confirmed in "City Treasurer's Statement of Compliance" (p. 10)</p> <p>7. <b>Other info at Treasurer's or Council's discretion</b> <input checked="" type="checkbox"/> Yes Several strategic and contextual updates (e.g. prudent investor regime, hospital fund strategy, market outlook) are provided.</p> <p><u>Note - the assessment of limits is considered at the time of the investment. a point in time portfolio view will not provide the perspective used when executing internal controls.</u></p> <hr/> <p><b>Is the reporting on a fund or a portfolio basis?</b></p> <p>It is both, but primarily portfolio-based.</p> <p><b>Portfolio-Level Reporting</b></p> <ul style="list-style-type: none"> <li>• The general investment report aggregates investments and performance of over \$450M in operating, reserve, and capital funds.</li> <li>• Averages, yields, and policy compliance are reported for the overall pooled investment portfolio.</li> <li>• This matches the City's policy (Section 4.6) and the legal list approach, which allows pooled investing with proportionate earnings allocation.</li> </ul> <p><b>Fund-Level Breakouts (Included for Specific Funds)</b></p> <ul style="list-style-type: none"> <li>• Trust Funds: Reported separately (Appendix B)</li> <li>• Arts Endowment Fund: Treated as a long-term/perpetual fund with detailed market/book value analysis (Appendix C)</li> <li>• Windsor-Essex Hospital Plan: Reported as a standalone portfolio due to special Council direction and sectoral exemptions (Appendix D)</li> </ul> <p>Each fund section includes:</p> <ul style="list-style-type: none"> <li>• Balance</li> </ul> |

| # | Approach   | Summary of Key Findings   |
|---|--|---|
|   |  | <ul style="list-style-type: none"> <li>Investment return</li> <li>Average yield</li> <li>Detailed GIC holdings and terms</li> </ul> <p><u>This granularity exceeds minimum requirements and aligns well with the fund-specific investment strategies described in the City Investment policy.</u></p> <p><b>Assessment</b></p> <p>This report:</p> <ul style="list-style-type: none"> <li>Meets the annual reporting requirements of the <i>Municipal Act</i>, Regulation 438/97, and the City's own Investment Policy.</li> <li>Is primarily portfolio-based, but includes fund-level reporting where: <ul style="list-style-type: none"> <li>Council has made special designations (e.g., Arts Fund, Hospital Plan)</li> <li>Legal or strategic needs require it (e.g., Trust Funds)</li> </ul> </li> <li>Demonstrates strong compliance and transparency.</li> </ul> |
| 2 | <p>Review evidence to determine if the compliance report shows the portfolio is within limits.</p> <p>b. Based on a comparison of:</p> <ul style="list-style-type: none"> <li>The City of Windsor's Investment Policy (CS.A1.09)</li> <li>The 2022 Annual Investment Compliance Report (submitted August 2023)</li> </ul> <p>and consider if there are any of the limits breached.</p> | <p><b>Official Confirmation from the Report:</b></p> <p>"All investments comprised within the City's investment portfolio were made in accordance with the investment policies and goals adopted by the municipality. All investments made during the year were in compliance with the minimum credit rating standards as outlined by the Investment Policy."</p> <p>(p. 10 – <i>City Treasurer's Statement of Compliance</i>)</p> <p>"There were no occurrences of non-compliance to be reported as part of the annual investment report."</p> <p>(p. 10)</p> <hr/> <p><b>Independent Spot-Check Against Policy Limits:</b></p> <p>A cross-check of key limits from Appendix A of the Investment Policy (CS.A1.09) vs. data in the annual report:</p> <p><b>1. General Portfolio Composition</b> (Appendix A of the report)</p>  |

| # | Approach | Summary of Key Findings   |  |                       |                          |
|---|----------|---|--|-----------------------|--------------------------|
|   |          | <b>Institution Type</b>   | <b>Policy Limit</b>                      | <b>2022 Portfolio</b> | <b>✓ Status</b>          |
|   |          | <b>Schedule I &amp; II Banks</b>  | 90% combined, 30% single Schedule I bank | 60.56% total          | ✓ OK                     |
|   |          | <b>Credit Unions</b>  | 25% total, 15% single                    | 25.01%                | ✓ At limit, but not over |
|   |          | <b>Cash (Schedule I)</b>  | Not explicitly capped                    | 14.43%                | ✓ OK                     |
|   |          | <b>Total Portfolio</b>  | N/A                                      | 100%                  | ✓ OK                     |
|   |          | <b>2. Trust Funds Portfolio</b> (Appendix B of the report)  |  |                       |                          |
|   |          | <ul style="list-style-type: none"> <li>Gov't of Canada Bond: 35.69% → ✓ OK (100% allowed)</li> <li>Credit Union: 14.71% → ✓ OK (≤25%)</li> <li>Cash (Schedule I): 49.6% → ✓ OK</li> </ul>   |  |                       |                          |
|   |          | <b>3. Arts Endowment Fund</b> (Appendix C)  |  |                       |                          |
|   |          | <ul style="list-style-type: none"> <li>ONE Bond Fund: 84.06%</li> <li>ONE Equity Fund: 15.94%</li> </ul>  |  |                       |                          |
|   |          | <p>✓ OK – These pooled funds are within the maximum 25% bond fund / 5% equity fund limits for the overall portfolio, and this specific fund has its own Council-approved strategy.</p>  |  |                       |                          |
|   |          | <b>4. Windsor-Essex Hospital Fund</b> (Appendix D)  |  |                       |                          |
|   |          | <ul style="list-style-type: none"> <li>Credit Unions: 68.03%</li> <li>Schedule I Banks: 31.97%</li> </ul>   |  |                       |                          |
|   |          | <p>✓ While this breaches the general policy limits (25% credit union cap), Council has explicitly approved treating this fund as a standalone portfolio with separate thresholds:</p> <p>“City Council provided direction... that would allow for more flexibility in terms of institutional limits...” (p. 7–8)</p> <p>Further, CR B12/2021 of February 22, 2021 requires that the Credit Union limit is set at not more than 50% of the total estimated City contribution (at end date) to the Hospital can be placed with any one (1) institution. Per</p> |  |                       |                          |

| # | Approach  | Summary of Key Findings   |
|---|---|---|
|   |   | <p>the 2016 report, this was expected to be \$108 million (excluding inflationary factors). As such, the limit for one credit union would be \$54 million and this has not been reached yet.</p> <p>Therefore, this is <b>not a breach</b>, but an authorized exemption.</p> <p><b>Assessment</b></p> <p>All reported investments comply with the City's Investment Policy limits or are Council-approved exceptions.</p> <ul style="list-style-type: none"> <li>• There are no breaches of: <ul style="list-style-type: none"> <li>○ Sector limits</li> <li>○ Individual institution limits</li> <li>○ Credit rating minimums</li> <li>○ Maturity band thresholds</li> </ul> </li> </ul> <p>No breaches of the investment limits or credit standards are identified in the report, and the report explicitly confirms this.</p>  |
| 3 | Are there specific limits, and does the Investment Policy Framework apply to the Hospital Fund? | <p>Does the Hospital Fund Have Its Own Investment Policy?</p> <p>No — the Windsor-Essex Hospital Reserve Fund does not have a separate, standalone investment policy.</p> <p>However, its treatment is explicitly governed through Council-approved exceptions to the City's main Investment Policy (CS.A1.09). Here's how it works:</p> <hr/> <p><b>What the City's Main Investment Policy Says (CS.A1.09)</b></p> <ul style="list-style-type: none"> <li>• Section 2.1 (Scope): <p>"This investment policy applies to all investments made by the City on its own behalf and, where appropriate or as deemed required, on behalf of its agencies, boards, commissions, and wholly owned subsidiaries, including any new funds created by the City unless specifically directed otherwise by City Council."</p> </li> </ul> <p>This means the City's Investment Policy governs the Hospital Fund by default <i>unless</i> the Council provides specific direction for deviating.</p> <hr/> |



| # | Approach | Summary of Key Findings   |
|---|----------|---|
|   |          | <p><b>What Council Has Approved</b></p> <p>Via Council resolutions (e.g., CR282/2016, CR193/2017 and CR170/2020) and reporting in subsequent compliance reports:</p> <ul style="list-style-type: none"> <li>• Council explicitly authorized treating the Hospital Reserve Fund as a separate portfolio for the purposes of applying investment limits (sector/institution).</li> <li>• This allows greater flexibility in concentration (e.g., higher percentages in a single institution or sector like credit unions).</li> <li>• Council did not create a new policy but overrode specific thresholds within the existing policy through formal direction.</li> </ul> <hr/> <p><b>Confirmation in Investment Reports</b></p> <p>From the 2022 and 2023 Investment Compliance Reports:</p> <p>“Administration was granted approval to treat the hospital reserve fund as a separate portfolio in terms of complying with maximum portfolio limitations (both sector and institutional)... Council provided direction in 2020 that would allow for more flexibility...”</p> <p>This confirms that the fund is exempt from standard portfolio limits but remains subject to all other parts of the Investment Policy unless otherwise directed.</p> <hr/> <p><b>Assessment</b></p> <p>Council explicitly authorized treating the Hospital Reserve Fund as a separate portfolio for the purposes of applying investment limits (sector/institution). Council did not create a new policy but overrode specific thresholds within the existing policy through formal direction.</p> |

### Conclusion: Allegation not supported.

The investments comply with the Municipal Act, Ontario Regulation 438/97 and the City Investment Policy, and there is specific Council direction for the Hospital Fund.

The Windsor-Essex Hospital Fund was explicitly approved by Council (per CR282/2016, CR193/2017, and subsequent direction) to be treated as a separate portfolio for the purposes of investment limits. CR B12\_2021 provides the Investment Strategy.

While credit union exposure exceeded general limits (60.89% in 2023), this was done under Council-approved exemptions. No breaches of O. Reg. 438/97 or CS.A1.09 were found.

The Hospital Fund does not have a standalone policy, but remains subject to the City's Investment Policy except where Council has directed otherwise. No evidence of unconstrained discretion was found.

The 2022 and 2023 Investment Compliance Reports include standalone reporting for the fund (Appendix D), clearly noting the fund's distinct treatment, composition, and performance. Reporting meets Municipal Act and policy requirements.

## Allegation #3

**Detailed Allegation:** Based on Administration's report to the Council, the City's investments have exceeded sector and institutional limits in 2022 and 2023. This has not been correctly reported to Council (per the Municipal Act Reg. 438/97 (8.1) and the City's Investment Policy clause 4.6.7).

| # | Approach  | Summary of Key Findings  |
|---|---|--|
| 1 | Consider if there is a breach of provincial regulation 438/97.  | <p>Section 8.1 of Reg. 438/97 requires annual reporting on:</p> <ul style="list-style-type: none"> <li>• Investment performance</li> <li>• Credit rating compliance</li> <li>• Consistency with the municipality's investment policy</li> </ul> <p>The 2022 and 2023 Annual Investment Reports include a Treasurer's Statement of Compliance confirming that:</p> <ul style="list-style-type: none"> <li>• All investments complied with the policy</li> <li>• All credit standards were met</li> <li>• No regulatory requirements were breached</li> </ul> <p><b>Assessment</b></p> <p>Regulation 438/97 s.8.1 – No Breach Occurred</p> |
| 2 | Consider if there is a breach of Investment Policy Limits, considering Council-Authorized Exceptions. | <p>Appendix A of the Investment Policy sets binding portfolio and institutional limits.</p> <p>However, Council authorized the Windsor-Essex Hospital Fund to be treated as a separate portfolio (2020), with flexibility to exceed standard limits in pursuit of long-term yield objectives.</p> <p>This was disclosed in the 2022 report (see pp. 7–8, Appendix D)</p> <p><b>Assessment</b></p> <p>Investment Policy Limits — Council-Approved Deviation</p>   |
| 3 | Consider if there is a breach of the City's Investment Policy related to clause 4.6.7                 | <p>Clause 4.6.7 requires reporting when section 3.2.7 authority (exceeding limits) is used.</p> <p>The 2022 and 2023 reports included this disclosure:</p> <p>"Investments were placed with various institutions which</p>   |

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|  |  | <p>utilized the additional institutional room as authorized by section 3.2.7...”</p> <p>(p. 10, <i>Annual Report</i>)</p> <p><b>Assessment</b></p> <p>The policy requirement under section 4.6.7 was met — rationale and use of discretion were documented and presented to Council.</p> |
|--|--|--|

### Conclusion: Allegation not supported

The City did exceed standard portfolio/institutional thresholds, but this was authorized and properly disclosed under Council-approved policy exceptions and section 3.2.7.

- Reporting requirements under both O. Reg. 438/97 and Investment Policy section 4.6.7 were fulfilled.
- No breach occurred, and Council was informed through the 2022 Annual Investment Report.

A recommendation to enhance the transparency of future disclosures is reasonable (see Allegation #1, Obs #1) — but no breach of law or policy has occurred.

**Allegation #4:** The City of Windsor's investment governance structure may lack sufficient oversight and transparency. Specifically related to three concerns.

**Detailed Allegation:** The City of Windsor's investment governance structure may lack sufficient oversight and transparency. Specifically:

1. The City's Investment Policy grants staff broad discretionary authority to exceed portfolio and institutional investment limits, with limited public disclosure of how that discretion is used.
2. Investment reporting to Council and the public may lack sufficient detail to enable effective oversight (e.g., no reporting by institution, limited explanation of over-limit positions).
3. In 2023, Council removed the Mayor as a signatory on investment accounts and delegated sole signing authority to the City Treasurer and deputies, potentially concentrating operational control without corresponding oversight mechanisms.

Together, these conditions may contribute to a governance model that lacks adequate checks and balances.

| # | Approach   | Summary of Key Findings  |
|---|--|--|
| 1 | Consider the delegation and discretionary limits in place at the City compared to other municipalities, including the four comparators used by Administration. | <p>Test #1 - Consider the delegation and discretionary limits in place at the City compared to other municipalities, including the four comparators used by Administration.</p> <p>Assessing the concerns regarding investment oversight, discretionary authority, and transparency in the City of Windsor's practices requires a comparative analysis with other Ontario municipalities. Below is a structured comparison focusing on discretionary authority limits, reporting transparency, and governance structures.</p> <hr/> <p><b>Discretionary and Delegated Authority Limits</b></p> <p><b>1. City of Vaughan</b></p> <ul style="list-style-type: none"> <li>• <b>Delegated Authority:</b> The <b>Chief Financial Officer (CFO)</b> has the authority to manage the City's investment portfolio, including executing investment transactions and overseeing day-to-day operations.</li> <li>• <b>Discretionary Authority:</b> The CFO is authorized to <b>redirect funding between discretionary reserves</b> based on reserve adequacy analysis. This allows flexibility to address financial needs as they arise.</li> </ul> |

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|  |  | <hr/> <p><b>2. City of Ottawa</b></p> <ul style="list-style-type: none"> <li>• <b>Delegated Authority:</b> The <b>Chief Financial Officer/Treasurer</b> is authorized to approve, amend, extend, and execute service agreements, contribution agreements, and grant agreements, provided they align with City policies, departmental objectives, and budget limits.</li> <li>• <b>Discretionary Authority:</b> The CFO/Treasurer has the discretion to manage investment transactions and ensure compliance with the Municipal Act and related regulations. This includes making investment decisions that align with the City's financial strategies.</li> </ul> <hr/> <p><b>3. Regional Municipality of Durham</b></p> <ul style="list-style-type: none"> <li>• <b>Delegated Authority:</b> The <b>Director of Financial Planning and Purchasing</b> is responsible for implementing the investment program and establishing procedures consistent with the policy. This includes delegating authority to staff for executing investment transactions.</li> <li>• <b>Discretionary Authority:</b> The policy allows for flexibility in managing the investment portfolio to optimize returns while adhering to the standard of care and eligible investments as defined by the Municipal Act.</li> </ul> <hr/> <p><b>4. City of Windsor</b></p> <ul style="list-style-type: none"> <li>• <b>Delegated Authority:</b> The <b>City Treasurer</b> is responsible for managing the City's investment program, including executing transactions and ensuring compliance with legislative requirements.</li> <li>• <b>Discretionary Authority:</b> The Treasurer has the discretion to exceed institutional or sector investment limits by up to 5% for short-term investments (<math>\leq 6</math> months) and up to 10% for any term where a third-party guarantee of principal is provided. Such discretionary actions must be reported to Council with the rationale.</li> </ul> <hr/> <p>1. For other municipalities like <b>Sarnia, Chatham-Kent, LaSalle, Kitchener, Georgina, Guelph, and York</b></p> |
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|   |  | <p><b>Region</b>, the available policies primarily delegate investment management authority to the Treasurer or equivalent officer. These policies emphasize adherence to statutory requirements and the municipality's investment objectives but do not explicitly detail discretionary authority to exceed established investment limits or guidelines.</p> <p>It's important to note that while some municipalities grant specific discretionary powers to their financial officers, others may require Council approval for actions that deviate from standard investment policies.</p> <p>Key items noted:</p> <ul style="list-style-type: none"> <li>• The removal of the Mayor as a signatory in Windsor is consistent with common Ontario municipal practice. In modern governance models, elected officials generally do not act as financial signatories for operational accounts, especially investments.</li> <li>• Most municipalities vest signing and execution authority in the Treasurer and/or designate, with accountability provided through reporting to Council and compliance with a Council-approved policy framework.</li> <li>• However, where operational authority is concentrated among staff, many municipalities (e.g., those using ONE JIB or requiring dual sign-off) provide additional governance layers to maintain transparency and accountability.</li> </ul> <p>Consider discretionary authority for Credit Union limits: see Appendix B.</p> <p>With the discretionary limit applied, Windsor has the highest portfolio and institutional limits in the comparator pool, being 10% points and 15% points greater than 9 of 10 comparators for the Portfolio Limits and Individual Limits, respectively.</p> <p><b>Assessment</b></p> <p>Windsor's current approach aligns with practices in Ontario municipalities, but to maintain public confidence, it should be complemented with strong oversight mechanisms.</p> |
| 2 | Consider the reporting transparency in place at the City compared to other municipalities, | <p>Consider trends in reporting transparency across 10 Ontario Municipalities, including the four comparators Administration used.</p> <p>Assessing the transparency of municipal investment reporting among Ontario municipalities of similar size to Windsor reveals</p>   |

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|  | <p>including the four comparators used by Administration.</p> | <p>a spectrum of practices. While all adhere to the minimum standards set by Ontario Regulation 438/97, the depth and clarity of their disclosures vary.</p> <p><b>1. City of Guelph: Enhanced Transparency</b></p> <ul style="list-style-type: none"> <li>• <b>Interim Reporting:</b> Guelph provides interim investment performance reports, offering timely updates beyond the annual requirement.</li> <li>• <b>Detailed Disclosures:</b> Their reports include specifics on investment holdings, performance metrics, and compliance status. Notably, they transparently discuss any deviations from the investment policy, such as holdings which exceed policy limits, and outline corrective actions.</li> </ul> <p><b>2. City of Sarnia: Standard Compliance</b></p> <ul style="list-style-type: none"> <li>• <b>Annual Reporting:</b> Sarnia adheres to the annual reporting mandate, detailing investment performance and compliance.</li> <li>• <b>Policy Guidance:</b> Their investment policy outlines objectives like safety, liquidity, and yield, and specifies reporting requirements, including performance statements and records of transactions</li> </ul> <p><b>3. Municipality of Chatham-Kent: Standard Compliance</b></p> <ul style="list-style-type: none"> <li>• <b>Policy Objectives:</b> Chatham-Kent's investment policy emphasizes compliance, security, liquidity, and yields.</li> <li>• <b>Delegated Authority:</b> The policy delegates investment responsibilities to the Treasurer or Deputy Treasurer, ensuring professional oversight.</li> </ul> <p><b>4. Town of LaSalle: Standard Compliance</b></p> <ul style="list-style-type: none"> <li>• <b>Policy Review:</b> LaSalle's investment policy mandates a review at least every five years to ensure adherence to legislative requirements.</li> <li>• <b>Delegation of Authority:</b> The Treasurer is granted authority to manage the investment program, including entering into agreements with financial institutions.</li> </ul> <p><b>5. Regional Municipality of Durham: Enhanced Transparency</b></p> <ul style="list-style-type: none"> <li>• <b>Comprehensive Policy:</b> Durham's Statement of Investment Policy and Goals governs the management of surplus funds, emphasizing legality, preservation of capital, and earning a competitive rate of return.</li> <li>• <b>Regular Reviews:</b> The policy is subject to regular</li> </ul> |
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|  |  | <p>reviews to adapt to changing financial landscapes.</p> <p><b>6. City of Kitchener: Standard Compliance</b></p> <ul style="list-style-type: none"> <li>• <b>Policy Updates:</b> Kitchener periodically updates its investment policy to reflect current financial practices and regulatory changes.</li> <li>• <b>Council Reporting:</b> Reports are submitted to the Finance and Corporate Services Committee, detailing policy amendments and their implications.</li> </ul> <p><b>7. Town of Georgina: Standard Compliance</b></p> <ul style="list-style-type: none"> <li>• <b>Authorized Investments:</b> Georgina's policy specifies permissible securities for investment, aligning with Ontario Regulation 438/97.</li> <li>• <b>Delegated Responsibility:</b> The policy outlines the delegation of investment responsibilities to ensure proper management.</li> </ul> <p><b>8. City of Vaughan: Enhanced Transparency</b></p> <ul style="list-style-type: none"> <li>• <b>Annual Investment Reports:</b> Vaughan publishes comprehensive annual investment reports detailing portfolio performance, income generated, and compliance with the City's Investment Policy and Ontario regulations.</li> <li>• <b>Detailed Disclosures:</b> The reports include specifics on investment income from various portfolios (e.g., Money Market, Bond, Alectra Note), comparisons to benchmarks, and summaries of holdings by term and issuer.</li> <li>• <b>Policy Provisions:</b> Vaughan's Investment Policy mandates annual reporting to Council, including statements on portfolio performance, compliance, and detailed listings of securities held.</li> </ul> <p><b>9. City of Ottawa: Standard Compliance with Emerging Enhancements</b></p> <ul style="list-style-type: none"> <li>• <b>Annual Financial Reports:</b> Ottawa's Annual Financial Reports contain audited consolidated financial statements prepared in accordance with Canadian public sector accounting standards.</li> <li>• <b>Investment Policy:</b> The City has an established Investment Policy outlining objectives, standards of care, eligible investments, and reporting requirements.</li> <li>• <b>Prudent Investor Standard:</b> In 2022, Ottawa adopted the Prudent Investor Standard and established the Ottawa Investment Board to oversee the City's</li> </ul> |
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|  |  | <p>investments not immediately required, aiming to enhance investment practices and oversight.</p> <p><b>10. York Region: Enhanced Transparency</b></p> <ul style="list-style-type: none"> <li>• <b>Annual Investment Reports:</b> York Region provides detailed annual investment reports discussing investment activities, portfolio performance, and compliance with the Region's Investment Policy and Ontario regulations.</li> <li>• <b>Comprehensive Disclosures:</b> The reports offer insights into realized investment returns for both General and Sinking Funds, comparisons to benchmarks, and adherence to investment policies.</li> <li>• <b>Investment Policy:</b> York Region's Investment Policy establishes objectives, standards of care, eligible investments, and reporting requirements for the prudent management of surplus funds.</li> </ul> <p><b>11. City of Windsor: Standard Compliance with Gaps in Transparency</b></p> <ul style="list-style-type: none"> <li>• <b>Annual Investment Reports:</b> Issues an annual investment compliance report with sector-level summaries and a Treasurer's Statement of Compliance. Holdings are not disclosed by individual institutions.</li> <li>• <b>Investment Policy:</b> The City has an Investment Policy which outlines the framework for managing public funds to ensure integrity, transparency, and compliance with legal standards. It establishes objectives, governance/oversight and reporting/compliance.</li> </ul> <p>The City also has</p> <ul style="list-style-type: none"> <li>• <b>Discretionary Authority:</b><br/>Policy allows staff to exceed limits by up to 10% (clause 3.2.7), but reports do not quantify usage or provide a clear rationale as required.</li> <li>• <b>Hospital Fund:</b><br/>Treated as a separate portfolio; high sector concentration not governed by a formal sub-policy, but the fund follows the general City Investment Policy unless Council explicitly modifies the rules for it, which they have done via resolutions such as CR193/2017 and CR282/2016</li> </ul> <p><b>Comparative Insights:</b></p> <ul style="list-style-type: none"> <li>• <b>Enhanced Transparency Practices:</b> Municipalities like</li> </ul> |
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|  |  | <p>York, Vaughan, Guelph and Durham go beyond the minimum requirements by providing interim reports and detailed disclosures, including specific holdings, performance analyses, and discussions of policy deviations. Ottawa is moving towards enhancements.</p> <ul style="list-style-type: none"> <li>• <b>Standard Compliance Practices:</b> Municipalities such as Sarnia, Chatham-Kent, LaSalle, Kitchener, and Georgina meet standard compliance by adhering to annual reporting requirements and maintaining clear investment policies with defined objectives and delegated authorities.</li> </ul> <p><b>Assessment:</b></p> <ul style="list-style-type: none"> <li>• Windsor's reporting practices align with those of other municipalities, focusing on compliance and performance.</li> <li>• However, some municipalities provide more frequent updates and detailed disclosures and may include forward-looking analyses, enhancing transparency.</li> </ul> <p>While all reviewed municipalities comply with Ontario's regulatory requirements, the extent of transparency varies. Enhanced practices, including interim reporting and detailed disclosures of investment holdings and policy deviations, contribute to greater transparency and public trust. Municipalities aiming to improve transparency might consider adopting practices from some peers to provide more comprehensive insights into their investment activities.</p> |
|  |  |   |

### Conclusion: The allegation is partially warranted.

Windsor's current approach to delegation of authority aligns with practices in Ontario municipalities.

With the discretionary limit applied, Windsor has the highest portfolio and institutional limits in the comparator pool, being 10% points and 15% points greater than 9 of 10 comparators for the Portfolio Limits and Individual Limits, respectively.

While delegation of authority aligns with other Ontario municipalities, the availability of potential discretionary power (5%  $\geq$  6 months or 10% with 100% principal guarantee) to maintain public confidence, the City should consider enhancing oversight mechanisms.

While no policy or legislative breaches were identified, the current investment governance model, which includes broad discretionary authority and limited disclosure, does present a valid governance risk, particularly from a transparency and oversight standpoint.



However, a single citizen raised this concern, and there is no evidence of financial loss, operational failure, or systemic risk realization to date. As such, while governance enhancements may strengthen future public confidence and accountability, any changes should be proportionate to the actual risk, cost, and broader stakeholder input.

One observation was noted:

3. **Consider enhancing governance reporting/practices:** This concern was raised by a single citizen, and there is no evidence of financial loss, operational failure, or systemic risk realization to date. As such, while governance enhancements may strengthen future public confidence and accountability, any changes should be proportionate to the actual risk, cost, and broader stakeholder input.

## Allegation #5

**Detailed Allegation:** The City of Windsor may lack sufficient oversight over its investment practices, particularly regarding the General Investment Portfolio and the Windsor-Essex Hospital Plan Investment Portfolio, which together total approximately \$621 million in reserve funds. Unlike some other Ontario municipalities that mandate independent or external audit review of their investment activities as part of their formal investment governance, Windsor does not currently require such review. This raises concerns about whether the City's investment decisions and use of discretion are subject to adequate independent scrutiny, and whether the current oversight framework provides sufficient accountability for the management of significant public funds.

| # | Approach   | Summary of Key Findings   |
|---|--|---|
| 1 | Determine if there is any legal necessity for an independent review. | <p>Legally or regulatorily? →  No.</p> <ul style="list-style-type: none"> <li>Ontario has no legal requirement (under the Municipal Act or O. Reg. 438/97) that external auditors must review investment compliance annually.</li> <li>The Treasurer is responsible for compliance and reporting to Council.</li> </ul> <p>From a governance perspective? →  It can be advisable.</p> <ul style="list-style-type: none"> <li>Independent or third-party review adds credibility, especially when discretion is involved (as in Windsor).</li> <li>Where public trust, risk concentration, or discretionary authority are concerns, independent oversight is a best practice — but not mandatory.</li> </ul> <p><b>Assessment</b></p> <p>Independent review is not required, but may be advisable. The second test will be leveraged for additional information related to independent testing.</p> |

| # | Approach  | Summary of Key Findings  |  |  |
|---|---|--|--|--|
| 2 | Consider and compare with the peers previously used in other tests in this investigation. | Some are — but most are not.   |  |  |
|   |   | <b>Municipality</b>  | <b>Auditor/<br/>Independent<br/>Review<br/>Mandated?</b> | <b>Notes</b>   |
|   |   | <b>York Region</b>   | ✓ Yes (via ONE JIB)                                      | Investments governed by a Joint Investment Board with reporting to Council.      |
|   |   | <b>Durham Region</b>   | ✓ Yes (via ONE JIB)                                      | Same as York; not an external audit per se, but arms-length board oversight.     |
|   |   | <b>Ottawa</b>  | ✓ Indirectly (Ottawa Investment Board)                   | Independent Board oversees all non-immediate investment funds.                   |
|   |   | <b>Guelph</b>  | ✗ No formal audit required                               | Strong internal reporting, but no mandated external audit.                       |
|   |   | <b>Vaughan</b>   | ✗ No formal external audit required                      | Robust disclosures, but oversight is internal + Council.                         |
|   |   | <b>Kitchener, Sarnia, LaSalle, Georgina, Chatham-Kent</b>  | ✗ No independent audit in policy                         | Standard policies, internal compliance led by the Treasurer.                     |
|   |   | <b>Windsor</b>   | ✗ No external audit of investment compliance             | Annual compliance reporting by Treasurer; some discretionary use not quantified. |
|   |   | <b>Assessment</b>  |  |  |
|   |   | Most municipalities do not mandate an external audit of investment compliance, except where Joint Investment Boards or Prudent Investor structures exist. An independent review of investments is not required and this practice is aligned with |  |  |

| # | Approach | Summary of Key Findings |
|---|----------|-------------------------|
|   |          | peers.                  |

**Conclusion: Allegation not supported**

While Windsor's investment policy does not currently mandate an external compliance audit, this is consistent with most Ontario municipalities. Jurisdictions with broader discretionary authority or more complex investment frameworks (e.g., York, Durham, Ottawa) have implemented independent oversight mechanisms. If the other governance recommendations noted in this investigation were addressed, the cost/benefit of an independent review may not be warranted at this time

# Recommendations

## 1. Comparator Transparency

While Administration compared the current and proposed policy limits with other selected municipalities, the comparators were not publicly disclosed. Without disclosure of comparators, Council and the public cannot verify whether Windsor's new limits align with sector norms.

To enable further transparency and accountability, Administration should consider including comparator names and summary comparisons in future public materials.

| Administration Response  |                |           |          |
|--|----------------|-----------|----------|
| Administration agrees that transparency is essential when it comes to public accountability and will ensure that in the future, where comparators are referenced, reports provide full disclosure. |                |           |          |
| Responsible Party:   | City Treasurer | Due Date: | Complete |

## 2. Sector Concentration Risk Management

This concentration could expose the City to liquidity risk, counterparty risk, and regional financial sector dependency, particularly if credit union sector fundamentals change.

Administration should conduct periodic stress testing or sensitivity analysis to assess downside risk scenarios (e.g., interest rate shocks, deposit insurance events, liquidity mismatches), or other oversight controls to monitor sector concentration risk and why, or why not, it is a concern.

| Administration Response   |  |           |                         |
|---|--|-----------|-------------------------|
| Administration agrees that when investing public funds into marketable securities that said funds are subject to various risk factors such as interest rate risk, market volatility risk as well as sector concentration risk. Given that a majority of funds invested are held in guaranteed investment securities those risks are significantly mitigated. Further, where discretionary provisions are utilized for periods of greater than 6 months, any investment contains a guarantee of principal. Administration will ensure that future reporting contains an assessment with regards to risks, including sector concentration risks and why or why not it is a concern. |  |           |                         |
| Responsible Party:  | Deputy Treasurer Taxation, Treasury & Financial Projects | Due Date: | Q2 2026 (June 30, 2026) |



### 3. Consider enhancing governance reporting/practices


A single citizen raised this concern, and there is no evidence of financial loss, operational failure, or systemic risk realization to date. As such, while governance enhancements may strengthen future public confidence and accountability, any changes should be proportionate to the actual risk, cost, and broader stakeholder input.

Consider low-cost transparency improvements (e.g., reporting discretionary use [date, %/\$, count, total impact or by institution] or listing of transactions and threshold at date, \$ guaranteed/earned/at risk), and reassess the need for larger-scale changes only if similar concerns arise again or if the City's investment structure grows in complexity or scale.

| Administration Response   |   |           |                         |
|---|---|-----------|-------------------------|
| Administration agrees that improvements to the Annual Investment report will enhance public transparency and will consider appropriate changes in future reports. |   |           |                         |
| Responsible Party:  | Deputy Treasurer Taxation,<br>Treasury & Financial Projects | Due Date: | Q2 2026 (June 30, 2026) |

## Appendix A - Credit Union Investment Limits – With Discretionary Authority Considered

| Municipality | Base Portfolio Limit  | Base Individual Limit | Discretionary Authority   | Effective Max Portfolio Limit | Effective Max Individual Limit | Notes   |
|--------------|-----------------------|-----------------------|---|-------------------------------|--------------------------------|---|
| Windsor      | 25%                   | 15%                   | ✓ Up to +10% via s.3.2.7 (5% >=6 months or 10% with 100% principal guarantee)   | 35%                           | 25%                            | Discretion must be reported annually; used in 2022 & 2023             |
| Kitchener    | 20%                   | 10%                   | ✗ No discretionary authority (allows temporary breaches due to maturity timing, but no discretion for strategic overages) | 20%*                          | 10%                            | Breaches allowed only due to maturities; must be corrected in 30 days |
| York Region  | Not specified         | Not specified         | ✗ No discretionary provision  | N/A                           | N/A                            | Credit unions were not explicitly addressed                           |
| Vaughan      | 30% (Short-Term only) | 10% (Short-Term only) | ✗ No discretionary authority  | 30%*                          | 10%                            | No stated flexibility; unclear if short-term limit applies            |

|               |     |    |  |             |           |   |
|---------------|-----|----|--|-------------|-----------|---|
|               |     |    |  |             |           | to whole portfolio                      |
| <b>Ottawa</b> | 20% | 5% |  No discretionary authority | <b>20%*</b> | <b>5%</b> | No clause permitting Treasurer override |

\* Confirmed through direct contact with Municipality (phone calls and one email response)

## Appendix B - Credit Union Limit Research

| Municipality  | Portfolio Limit (CU) | Institutional Limit (CU)           | Discretionary Authority?                      | Limits with Discretionary Authority (Portfolio/Individual) |
|---------------|----------------------|------------------------------------|---|--|
| Windsor       | 25%                  | 15%                                | ✓ Yes – Up to +10% by Treasurer (per s.3.2.7) | 35%/25%  |
| Kitchener     | 20%                  | 10% (short-term) + 10% (long-term) | ✗ Not beyond stated limits                    | 20%/20%  |
| York Region   | 20%                  | 5%                                 | ✓ Managed through ONE JIB (independent board) | 20%/5%   |
| Durham Region | 10%                  | 5%                                 | ✓ Managed through ONE JIB (independent board) | 10%/5%   |
| Vaughan       | 30%                  | 10%                                | ✗ No discretionary override stated            | 30%/10%  |
| Ottawa        | 20%                  | 5%                                 | ✓ Oversight via Ottawa Investment Board       | 20%/5%   |
| Guelph        | 25%                  | 10%                                | ✗ No explicit discretionary room              | 25%/10%  |
| Georgina      | 25%                  | 10%                                | ✗ No discretionary override in policy         | 25%/10%  |
| Sarnia        | 25%                  | 10%                                | ✗ No discretionary room mentioned             | 25%/10%  |
| Chatham-Kent  | 25%                  | 10%                                | ✗ No discretionary override in policy         | 25%/10%  |
| LaSalle       | 25%                  | 10%                                | ✗ No discretionary authority noted            | 25%/10%  |

## **E.5 DISCLOSURE OF CONFIDENTIAL INFORMATION**

### **AUDITOR GENERAL COMPLAINT INVESTIGATION**

# Memo

To: File - Disclosure of Confidential Information

From: Christopher O'Connor

Date: Feb 26, 2025

Subject: Project Closure Memo

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This memo serves to provide closure to the Disclosure of Confidential Information Allegation. Initial discussions and further clarification indicate that the allegation investigation will be ceased given that:

- The complainant has engaged other external oversight bodies, wherein the Office of the Auditor General would defer to the oversight bodies determinations.
- Duplication of effort should be avoided.
- Investigating records actively being reviewed by an oversight body could impair one or both reviews.

As such, any investigation into the Disclosure of Confidential Information Allegation will cease, and this memo serves as the final report.

Sincerely,

Christopher O'Connor

*Auditor General for The Corporation of the City of Windsor*

## **E.6 SUPPORTED LODGING HOME TREATMENT CONCERNS AUDITOR GENERAL COMPLAINT INVESTIGATION**

# Memo

To: File - Supported Lodging Home Treatment Concerns

From: Christopher O'Connor

Date: Mar 31, 2025

Subject: Project Closure Memo

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This memo serves to provide closure to the Supported Lodging Home Treatment Concerns. Initial discussions and further clarification indicate that the allegation investigation should stop.

Considerations and material reviewed included:

- Homelessness Prevention Program (HPP) Program Guidelines April 2022
- Housing With Supports Standards Housing Support Services Revised December 30, 2019
- Special Provisions Residential Services Homes Rev. April 2023
- Review of Ministry requirements/publications regarding Service Managers and the programs they oversee.

The complainant had an active investigation/complaint, which the City was aware of and where the City was actively involved as a Service Manager. As the City had not completed its work/support as Service Manager, the complaint should not yet be reviewed as management was still in the process of assessing/addressing the concern.

No additional complaints were received after the initial influx.

As such, any investigation into the Supported Lodging Home Treatment Concerns will cease, and this memo serves as the final report on it.

Sincerely,



Christopher OConnor

*Auditor General for The Corporation of the City of Windsor*