

**OFFICE OF  
THE CITY AUDITOR**

**REPORT  
CIVIC AGENCIES  
GOVERNANCE AUDIT**

**NOVEMBER 14, 2023**

# Report Summary

## BACKGROUND

Civic agencies is a collective term for all agencies, boards, committees, commissions, and task forces to which City Council appoints citizens, Council members, or representatives of external organizations.

The City uses two categories to describe civic agencies:

- **City agencies** are agencies established by Council under the authority of the Municipal Government Act, or as required by other statutes.
- **External agencies** are agencies that are not established by or controlled by Council.

For a full list of civic agencies and classifications see Appendix 1.

Civic agency governance is the combination of processes and structures the City uses to inform, direct, manage, and monitor the activities of the agencies toward achieving their objectives. The City uses Policy C575D Agencies, Boards, Committees and Commissions (the Policy) and its related procedure (the Procedure) as part of the overall governance framework. The Policy and Procedure formed the basis for much of the work performed in this audit.

The City creates bylaws to form most city agencies. These bylaws generally state the agency's purpose, how it functions, the composition and number of members, and reporting requirements.

## AUDIT OBJECTIVES & SCOPE<sup>1</sup>

The objective of this audit was to determine if the City's governance supports civic agencies to fulfill their mandates

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<sup>1</sup> We conducted this engagement in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

and help the City achieve its strategic goals.

We included all civic agencies (agencies where City Council makes appointments of a Council member, citizens, or representatives of external organizations) in this audit, except for Audit Committee. The purpose, structure, and accountability of civic agencies vary, so our audit approach varied based on these factors.

Our audit did not include:

- The actual operations of any agencies
- Agencies where Council, acting as shareholder, makes the appointments
- The Edmonton Police Commission and Edmonton Public Library Board

## WHAT WE FOUND

The City has policies and bylaws in place, which outline some of the expectations related to civic agencies. There is also an expectation for some classifications of civic agencies to report to City Council, whether directly or through Council Committees, on a regular basis.

The City also has a process in place to regularly review appointments to civic agencies.

However, we found areas where the City can improve the civic agency governance environment.

- Roles and responsibilities for all parties involved with city agencies are not well documented.
- Some city agencies were created with overly broad mandates, and Council has not regularly reviewed agency mandates for current relevance.
- All city agencies with annual reporting requirements met those requirements. However, the reports submitted by city agencies contain inconsistent sections, and do not include sufficient information for Council to assess the agency's progress against its mandate.

- City agency member training topics are documented in the City's Procedure. However, agency members are not receiving consistent training that covers the topics listed.

The Office of the City Clerk assists Council in providing governance guidance to city agency board members, therefore we have made the following recommendations to them.

## RECOMMENDATIONS

- |                  |   |
|------------------|---|
| Recommendation 1 | We recommend that the City Clerk updates roles and responsibilities of City staff involved with city agencies.  |
| Recommendation 2 | We recommend that the City Clerk provide City Council the support it requires to regularly review the mandates of advisory committees.  |
| Recommendation 3 | We recommend that the City Clerk provide City Council with reporting requirements for advisory committees and decision making boards to report enough information for Council to assess progress against their mandates.  |
| Recommendation 4 | We recommend that the City Clerk update the training requirements, including who is responsible for conducting the training, for advisory committees and decision making board members to provide the information and tools they need to be prepared for their role with an agency. |

## WHY THIS IS IMPORTANT

Strong governance of civic agencies will help the City obtain consistent and relevant perspectives and information, to guide decision making. Governance should include clear roles and responsibilities for city staff, training for citizens involved with the agencies, sufficient reporting requirements, guidance for agencies, and a regular review of city agency mandates.

# Civic Agencies Governance Details

## BACKGROUND

Civic agencies is a collective term for all agencies, boards, committees, commissions, and task forces to which City Council makes appointments of citizens, Council members, or representatives of external organizations.

City agencies provide citizens with an opportunity to participate in the direction of the City. External agencies provide opportunities for councillors to connect with other levels of government, municipalities, and other organizations.

Most city agencies operate at arm's length from Administration, and are established and appointed by Council to convey community perspectives while advising on things that are important to Council.

## TYPES OF AGENCIES

### City Agencies

Civic agencies can be categorized into two main categories:

City agencies are agencies established by Council under the authority of the Municipal Government Act, or as required by other statutes. The categories of city agencies are:

- **Advisory** - provide citizen or expert input and advice to Council on issues relevant to Council's priorities as defined in the agency's mandate.
- **Ad Hoc Committees and Task Forces** - created with a focused purpose or task, within a set timeline.
- **Business Improvement Areas** - oversee business-driven promotion and revitalization of a defined geographic area.
- **Decision-making** - make policy decisions on issues identified in their mandate or decisions for Council where an arm's-length from the political process is

desired.

- **Quasi-Judicial Boards / Tribunals** - perform formal adjudicative functions or hear and decide appeals as an impartial tribunal.

## External Agencies

External agencies are agencies that are not established by or controlled by Council. The City participates with external agencies by appointing a member of Council, City Administration, or a citizen to be a representative. The categories of external agencies are:

- **Advisor / Liaison** - appointee is mostly of a liaison nature to promote communication or demonstrate support for an agency's efforts.
- **Corporate Body** - any body not established by the City that has corporate existence.
- **Funding** - recommends to Council allocation of funding to particular programs or activities.
- **Intergovernmental** - involves more than one municipality or level of government.
- **Management** - established to manage or advise in the operation of a facility or property.

See Appendix 1 for a full list of civic agencies.

## CIVIC AGENCY GOVERNANCE

Civic agency governance is the combination of processes and structures implemented to inform, direct, manage, and monitor the activities of the agencies toward achievement of their objectives.

The City uses Policy C575D Agencies, Boards, Committees and Commissions (The Policy) and its procedure (The Procedure) as part of its guidance for the creation, appointments, powers, and duties of civic agencies. The City also uses other bylaws to provide powers, duties, and functions to advisory agencies, as well as some decision-making agencies.

**ROLE OF CITY  
ADMINISTRATION**

The Office of the City Clerk oversees:

- Member recruitment
- Member appointments and training
- Establishment and classification of new agencies
- The process for Council to regularly review appointments to advisory committees and external agencies

The Office of the City Clerk also assists Council in developing guidelines for the agencies and provides governance guidance to agency board members.

Other areas within City Administration have roles and responsibilities related to civic agencies, for example administrative liaisons who have subject matter expertise and finance staff that support budgeting or other financial aspects of civic agencies.

# Update Roles and Responsibilities

## KEY FINDINGS

We found that roles and responsibilities related to city agencies are documented in the Procedure; however, they are not described to a level of detail that is sufficient or that ensures accountability for internal use.

## INSUFFICIENT ROLES AND RESPONSIBILITIES DOCUMENTATION

The roles and responsibilities of agency members, agency chairs, and City Administration are documented in the Procedure. This is done at varying levels of detail for city agencies.

The roles and responsibilities for agency members and chairs are well documented and well defined. However, the role of City Administration is discussed only at the City Manager level and in relation to city agencies.

These roles include:

- Providing necessary member training.
- Preparing reports to Council for the agency on budget, recruitment, appointment, and other matters.
- Developing and implementing recruitment procedures as directed by Council.
- Developing procedures to look into city agency conduct, ethics, or conflict of interest violations.
- Performing all duties in relation to recruitment, preparation for selection materials, and appointment reports.
- Preparing reports to Council to request direction if Administration and a City Agency differ on significant issues affecting the City Agency's work plan or mandate.

Within Administration, there are three primary groups performing these roles:

- The Office of the City Clerk
- Financial and Corporate Services



- Administrative liaisons

Each of these three have roles and responsibilities connected to city agencies, but it is not clear which of the roles listed under the City Manager belong to which group. Many of the roles and responsibilities vary depending on the agency classification, and it is not clearly documented what City staff members should be performing each role, broken down by agency type.

### WHY THIS IS IMPORTANT

Without clear roles and responsibilities for parties involved, gaps in responsibility coverage may be created. Those responsibilities may or may not be completed, and it is not clear who is accountable to make corrections for uncovered responsibilities.

### RECOMMENDATION 1

Provide City Council with updated roles and responsibilities of City staff involved with city agencies.



#### Responsible Party


City Clerk



Accepted by Management

#### Management Response

The City Clerk will review both the Policy and Council approved procedure to determine what improvements can be made to provide additional clarity, and will work with Administration to create the appropriate documentation that articulates roles and responsibility for those under the accountability of the City Manager.

 **Implementation Date**  
June 30, 2024

# Review of Mandates

## KEY FINDINGS

We found that the City created some city agencies with overly broad mandates or with no mandate in its creation document.

The last time City Council reviewed city agencies for possible dissolution was in 2015.

## OVERLY BROAD MANDATES

When the City creates bylaws to establish city agencies, they generally include goals or objectives for the agencies in the form of a mandate, as required by the Procedure. We found there are some agencies whose mandates are overly broad and do not provide enough context into what the agency is trying to achieve or what work they will actually be doing. We also found one agency without a mandate.

For example, one agency's mandate was to improve the quality of its area of focus, but does not specify what the improvement of quality means, or how they will achieve the quality improvements. In comparison, the City created another agency with a specific mandate that included promotion of its focus area, sharing information around its focus area, providing independent advice, and assisting the City in measuring performance.

We also found that one advisory committee does not have a mandate in its creation document. The agency's mandate is in its terms of reference, which it created after being formed by the City.

## LACK OF DISSOLUTION REVIEW

The Procedure requires that "when city agencies are created, Council will direct the dissolution or review date." In our review of city agency creation documents, we found that there was no mention of dissolution or review dates. The last time the City did a general dissolution review for advisory agencies was in 2015. Our interviews with City staff also found that individuals

who currently have a role with advisory agencies have never been involved with a dissolution review.

### WHY THIS IS IMPORTANT

Agencies with broad or missing mandates have the potential of taking time and resources away from the work that Council intends for them to be performing. This is also why it is important to periodically review agencies for dissolution, to determine if they have fulfilled their purpose.

### RECOMMENDATION 2 MANAGEMENT RESPONSE

Provide City Council the support it requires to regularly review the mandates of advisory committees.



#### Responsible Party

City Clerk



Accepted by Management

#### Management Response

As part of the Governance Review of Advisory Committees, Council passed a motion directing a review of the mandates of advisory committees.



#### Implementation Date

December 31, 2024

# Improve Reporting Guidance

## KEY FINDINGS

Overall, we found that city agencies with reporting requirements submitted and presented their report at the appropriate Council or Council Committee meeting.

However, we found the reporting guidance the City provides to advisory committees and decision making boards is not sufficient to develop reports that include enough information to assess progress against their mandates.

## INSUFFICIENT REPORTING REQUIREMENTS

The Procedure has three high level requirements for advisory committees and decision making board annual reports, which include:

- Activities
- Annual work plan aligned to strategic objectives and mandates
- Budget information

However, the requirements do not provide enough guidance for the agencies to create annual reports that provide enough information to assess their progress against their mandates. They are missing requirements such as progress on previously planned work, strategic objectives, and activities for the following year.

As a result, we identified issues with the quality of the reports city agencies are providing. This includes:

- Advisory committees and decision making boards reported inconsistent content and financial information.
- Advisory committees and decision making boards did not always report progress on projects or goals from the agency's previous year's work plan or annual report.
- Administration reviewed the reports for compliance with the high level reporting requirements in the

Procedure, but did not assess whether the agency reported on their progress against its mandates.

### **Inconsistent Report Content**

We found inconsistencies in the content of the reports provided by separate advisory agencies. For example:

- An agency included a section on their activities for the reporting year, but did not discuss any challenges or issues faced in the year.
- A different agency discussed challenges and the issues they faced, but did not discuss any of the activities they completed in the year.

Our testing also identified variances in how advisory and decision making agencies met the budget information requirement of the Procedure. For example, we found agencies that reported:

- Budget and actual spending for the current year
- Actual spending for the current year and no budget amounts
- Budget information for the next year and no actual amounts
- Budget information for the current year and no actual amounts

### **Lack of Annual Progress Reporting**

The annual reports did not consistently report on progress of projects or goals that the agency included in its previous year's work plan or annual report.

For example, one agency included plans to work on a pilot project related to park spaces in their 2021 annual work plan. However, there was no update on the progress or status of the pilot project in their 2022 annual report. Another example is a different agency did not include any sections that discussed their annual achievements or work completed in their 2022 annual report.

### **Lack of Progress Review**

Administration, either administrative liaisons or the City Clerk's office, were reviewing reports for whether they met the

Procedure's reporting requirements. However, they were not reviewing if the reports assessed progress against mandates, because the Procedure does not currently require agencies to do so. In some cases, the administrative liaisons drafted the reports on behalf of the agency, and others would receive the report and pass it along the proper channels to be presented to Council. However, no one was confirming if the report included sufficient information for Council to assess an agency's progress against their mandate.

### WHY THIS IS IMPORTANT

Without clear reporting requirements the advisory committee and decision making boards may not provide the City the information it needs to monitor and assess the effectiveness of its agencies.

### RECOMMENDATION 3 MANAGEMENT RESPONSE

Provide City Council with reporting requirements for advisory committees and decision making boards to report enough information for Council to assess progress against their mandates.



#### Responsible Party

City Clerk



Accepted by Management

#### Management Response

In advance of the annual reports the City Clerk will provide additional guidelines for Council's review.



#### Implementation Date

March 31, 2024

# Improve Agency Member Training

## KEY FINDINGS

The Procedure outlines ten topics for which Administration should provide training to city agency members. Training on all these topics should give agency members the information and tools they need to be fully prepared for their role within an agency.

We found that Administration provides training on high level topics that cover background information about the agency. However, Administration is not providing training on the topics that the Procedure identifies as necessary to fully prepare members for their role with an agency.

## LACK OF TRAINING

Administration provides advisory committee and decision making board members with training that covers background information about the agency. This includes information such as the agency's creation bylaw and other City policies that are relevant to the agency's mandate.

However, Administration does not provide all the training that agency members require. They are not providing training on the following ten training topics included in the Procedure:

- Meeting management - how to follow meeting procedures and keep meetings in order.
- Records management - how to keep meeting minutes and agendas.
- Privacy - the importance of information privacy.
- Governance - the governance structures in use at the City.
- Budgeting - how to prepare budgets and follow the budget deliberation process.
- Council reporting - how to prepare reports to Council.
- Communications - how to write and present information in line with City standards.



- Ethics and conflict of interest - the definition of conflicts of interest, and how to follow the City's conflict reporting processes.
- Legal matters - legal issues that may occur related to their work on a city agency.
- Gender Based Analysis Plus (GBA+) - the analytical tool the City uses with the intention of advancing gender equality.

It may be that agency members are not receiving the training they require because it is not clear who would provide the mandated training. When we asked City Clerk's Office staff, they indicated that administrative liaisons were responsible for training. The administrative liaisons we interviewed said they provide only some agency specific training (for example, reviewing the City bylaws that specifically relate to one particular agency) and that the Clerk's office provided standard training to agency members.

#### WHY THIS IS IMPORTANT

If agency members do not receive adequate training, they may not be fully prepared to perform their role and may not be providing maximum value to the City.

#### RECOMMENDATION 4 MANAGEMENT RESPONSE

Update the training requirements, including who is responsible for conducting the training, for advisory committees and decision making board members to provide the information and tools they need to be prepared for their role with an agency.



##### Responsible Party

City Clerk



Accepted by Management

**Management Response**

As part of the policy and procedure review, the City Clerk will review the training requirements as well as provide additional clarity required as per Recommendation 1 of this audit.

**Implementation Date**

September 30, 2024

**ACKNOWLEDGEMENT**

We would like to thank the staff from the Office of the City Clerk and the staff in the business areas we interviewed for their cooperation during the audit.

## Appendix 1 – 2023 Agencies, Boards, Committees & Commissions by Classification<sup>2</sup>

\* Council Member(s) Appointed to Board # Council Member(s) Appointed as Advisor(s)

### CITY AGENCIES

**STANDING COMMITTEE** - Committee of Council

- Audit Committee\* (Two Public Members)

**AD HOC COMMITTEES AND TASK FORCES** - created with a focused purpose or task, within a set timeline.

- Office of the Councillors Budget Review Task Force
- Code of Conduct Sub-Committee\*

**BUSINESS IMPROVEMENT AREA ASSOCIATIONS (BIAs)** - oversee business-driven promotion and revitalization of a defined geographic area.

- 124 Street and Area Business Association
- Alberta Avenue Business Association
- Beverly Business Association
- Chinatown and Area Business Association
- The Crossroads Business Improvement Area Association
- Downtown Business Association of Edmonton
- Fort Road Business and Community Association
- French Quarter Business Improvement Area/ Association des Intérêts Commerciaux du Quartier Francophone
- Kingsway District Association
- North Edge Business Association
- Northwest Industrial Business Association
- Old Strathcona Business Association
- Stony Plain Road and Area Business Association

**ADVISORY** - provide citizen or expert input and advice to Council on issues relevant to Council's priorities as defined in the Agency's mandate.

- Accessibility Advisory Committee#
- Anti-racism Advisory Committee#
- City of Edmonton Youth Council#
- Community Services Advisory Board#
- Edmonton Design Committee#
- Edmonton Historical Board#
- Edmonton Transit Service Advisory Board#
- Energy Transition Climate Resilience Committee#
- Women's Advocacy Voice of Edmonton Committee#

**DECISION-MAKING BOARDS** - make policy decisions on issues identified in their mandate or decisions for Council where an arm's-length from the political process is needed.

- Edmonton Combative Sports Commission
- Edmonton Police Commission\*
- Edmonton Public Library Board\*
- Edmonton Salutes Committee\*
- Naming Committee

**TRIBUNALS** - perform formal adjudicative functions or hear and decide appeals as an impartial tribunal.

- Assessment Review Board
- Subdivision and Development Appeal Board
- Community Standards and Licence Appeal Committee

### CORPORATIONS

- Explore Edmonton Corporation\*
- Fort Edmonton Management Company\*

<sup>2</sup>City of Edmonton - [List of Agencies, Boards, Committees and Commissions](#)

## EXTERNAL AGENCIES

**INTERGOVERNMENTAL** - involves more than one municipality or level of government.

- Alberta's Industrial Heartland Association\*
- Alberta Municipalities\*
- Canadian Urban Transit Association Transit Board Members Committee\*
- Climate Innovation Fund Executive Committee\*
- Edmonton Global (Shareholder Representative)\*
- Edmonton Metropolitan Region Board\*
- Edmonton Metropolitan Transit Services Commission\*
- Edmonton Region Waste Advisory Committee\*
- Federation of Canadian Municipalities\*
- Inter-City Forum on Social Policy\*
- River Valley Alliance\*
- Sturgeon River Watershed Alliance Steering Committee\*

**MANAGEMENT** - established to manage or advise in the operation of a facility or property.

- Civida
- Edmonton Arts Council\*
- Edmonton Regional Airports Authority
- GEF Seniors Housing

**FUNDING** - recommends to Council allocation of funding to particular programs or activities.

- Edmonton 2001 Legacy Foundation

**ADVISOR** - appointee is mostly of a liaison nature to promote communication or demonstrate support for an agency's efforts.

- Reach Edmonton Council for Safe Communities#