



Office of the Auditor General

**Governance Audit of the Ottawa Police
Services Board**

FINAL REPORT

December 2005

December 14, 2005

To: Ottawa Police Services Board

I am pleased to submit to the members of the Ottawa Police Services Board, this report which represents the Auditor General's findings on the following: Governance Audit of the Ottawa Police Services Board.

The Board's response has not been included in the report but will be provided separately by the Police Services Board.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Alain Lalonde', written in black ink.

Alain Lalonde, CGA CIA
Auditor General

**Office of the Auditor General – City of Ottawa
Governance Audit of the Ottawa Police Services Board
December 2005**

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EXECUTIVE SUMMARY

The governance framework of any Board is something that is continually evolving as the organizations that they govern are continually evolving. The Ottawa Police Services Board is no different, even though it operates in a highly legislated environment. Based on the criteria used in this audit, the Ottawa Police Services Board has satisfied many of the criteria but is not meeting several others.

The Ottawa Police Services Board has demonstrated several key strengths. One of the key strengths of the Board is the strong, professional relationship it has with the Chief and OPS senior management, which provides a strong foundation for Board effectiveness. This has resulted in the Ottawa Police Services Board being regarded as one of the top Boards by other Police Services Boards in Ontario and across Canada.

Other strengths of the Board include:

- **the Boards' commitment to operating in an atmosphere of openness and trust** – The Board deals with as many agenda items as possible in the public meeting and only uses in-camera meetings as required by legislation (i.e., legal, personnel, and security issues). The Board has also made all Ministry Inspection Reports public, which is not a common practice of other police services Boards. Finally, the Board's annual operating budget is reported separately in the OPS budget, and with sufficient detail.
- **the Board being comprised of seven members with diverse and complementary skills sets who are committed and dedicated to the job** – The Board is made up of seven Board members with skills ranging from expertise in finance, law, policing, and community awareness. The Board members are all accomplished individuals in their respective fields and possess the collective skills required for an effective Board.
- **high attendance and participation at Board meetings, including community meetings** – Attendance at regular Board meetings is nearly always 100 percent and the Board has never had a problem with achieving quorum. Also, there is always a high level of Board member representation at community meetings.
- **good orientation from OPS and Executive Director for new Board members** – New Board members receive a comprehensive orientation from the Executive Director which includes a detailed information package. OPS senior management also provides a detailed orientation session to all new Board members almost immediately after they are appointed to the Board.

- **good corporate memory from Executive Director** – The Executive Director of the Ottawa Police Services Board has occupied the position for the past 11 years, providing critical continuity and corporate knowledge as Board member turnover is a reality of Police Services Boards. The Executive Director also served for many years as the Executive Director of the Canadian Association of Police Board (CAPB), which has benefited the Ottawa Police Services Board in establishing a close relationship with the Association.

The audit has noted several areas for improvement with respect to the governance practices and structures of the Ottawa Police Services Board. The two key areas that require improvement are:

- **adherence to its own Board Policy Manual** – The Board Policy Manual is a comprehensive document that includes an overview of the Board’s governance process. However, many sections of the Manual that are designed to ensure good governance and oversight are not being followed.
- **more aggressive oversight of reporting to the Board** – There are several reports to the Board that are supposed to follow a regular reporting schedule (e.g., quarterly financial reporting, semi-annual status reporting on the Business Plan, and inquiries made by the Board). However, these reports often do not come forward to the Board as scheduled.

Some of the other areas requiring the Board’s attention include:

- developing a process for regular review of the Board Policy Manual and other policies,
- developing a quality assurance process to comply with section 35 and 37 of the *Police Services Act*,
- developing a process for Board evaluation,
- more rigorous follow-up on inquiries,
- completing and implementing a Performance Measurement Framework,
- status reporting against the Business Plan, and
- ensuring OPS reports brought before the Board are linked to the Business Plan, where appropriate.

1. INTRODUCTION

What is Board governance?

Board governance is not an easy function to define. It often exists in the background of an organization and for most observers it is an invisible function. Unlike the operations side of an organization where there are clearly define activities, outcomes, and processes, Board governance is not often discussed or analyzed. In many organizations, Board governance only comes to the forefront when a crisis arises.

There is no one definitive definition of Board governance. However, words commonly used to define governance include leadership, monitoring, priority-setting, strategy development, and policy setting. In the context of policing, the Ontario Association of Police Services Boards' (OAPSB) provides the following definition in its training materials:

“The police board must perform both a governance and an oversight function. Governance is controlling and directing the development of policy as the vehicle for directing and influencing decisions made by the organization. Oversight involves ensuring that the legislated functions for the police service are carried out by the organization”. *(Keith Taylor)*

There is no one-size-fits all model or approach to governance; not in the private sector or in the policing sector. What can be applied to all Boards, regardless of size or industry, are the basic concepts of good governance.

Why do a governance audit?

Much has been written in the last two decades about the importance of governance and strong governance practices. In many industries, including policing, it has become a hot topic. There have been many organizations that have made headlines in recent years due to organizational weaknesses. And it is only after these weaknesses become obvious that governance practices (or lack thereof) come into question and the Board is held accountable.

The City of Ottawa's Auditor General introduced the importance of and the need for governance audits in the 2005 audit work plan. The City's Boards are responsible for overseeing multi-million dollar budgets on behalf of Council and the public, and are accountable for effective organizational performance and for efficient expenditure of municipal tax dollars. The review of governance structures and practices should be seen as a proactive approach to good governance, not as a reaction to suspected weaknesses at any of the City's Boards.

On February 28, 2005, the Ottawa Police Services Board (the Board) formally requested that the Auditor General complete an audit of the governance structure and practices of the Board. This governance audit is the first of several planned governance audits in the Auditor General's 3-year work plan, which includes governance audits of the Boards of Directors of Ottawa Hydro, the Ottawa Public Library, and Ottawa Community Housing Corporation. The Auditor General intends to make governance an ongoing theme in future work plans.

1.1 Objectives and Scope

The objective of this audit was to examine the current governance structures and practices to ensure that the Board is equipped to provide effective direction, support, and oversight to the Ottawa Police Service (OPS). The current governance structures and practices were assessed against best practices, not against the practices of other Police Services Boards.

This audit was conducted within the context of the *Ontario Police Services Act*, which sets out the role and authority of the Police Services Boards.

It was not within the scope of this audit to:

- determine compliance with Ministry Adequacy and Effectiveness Standards
- review the appropriateness and effectiveness of the provincial and legislative framework (i.e., the Police Services Act, Ministry Adequacy and Effectiveness Standards, OCCPS, etc.)
- review the Carver governance model that the Board has adopted.

The intent of this report is to provide the Ottawa Police Services Board with concrete examples of Board governance best practices to ensure long-term success of the Ottawa Police Service.

1.2 Audit Criteria

The Auditor General presented the criteria to be used in this audit to the Ottawa Police Services Board on 28 February 2005. The audit criteria were developed based on the provisions of the *Police Services Act* as well as current best practices for corporate governance (Institute of Internal Auditors Research Foundation publication *Corporate Governance and the Board – What Works Best* and Risk and Insurance Management Society). Current practices were assessed against a number of specific criteria in the following categories:

1. Responsibilities, Role and Duties of Board Members
2. Board Membership, Composition and Selection
3. Board Evaluation Process
4. Board Meetings and Information
5. Strategic Planning and Performance Measurement

Audit results for each specific criterion are presented below under Section 3 - Observations and Recommendations.

1.3 Audit Approach

The audit approach included a detailed literature review of Board governance best practices, interviews with OPS Board members and OPS staff, and a detailed review relevant policy and regulatory documents.

Specifically, the audit approach included:

- interviews with the current and past Board members
- interviews with the OPS executive and other OPS management staff
- interview with the Board Executive Director
- review of Board meeting minutes for 2003 – 2005
- an extensive literature review of current best practices in corporate governance and governance practices within policing
- a review of relevant OPS documents (i.e., policy and by-law documents)
- The *Police Services Act* and related regulatory documentation
- A review of the Ministry's 2005 Adequacy and Effectiveness Standards report
- OAPSB training material.

2. BACKGROUND

2.1 Ottawa Police Services Board

The Ottawa Police Service is governed by the Ottawa Police Services Board, which in turn is regulated by the *Police Services Act*. In Ottawa, this Board is comprised of seven members, four of which are selected by Council. Three Councillors are appointed by resolution of Council; one person, who is neither a member of Council nor an employee of the municipality, is also appointed by resolution of the Council; and three persons are appointed by the Province of Ontario. The Board is supported by two staff members of the City Clerk's Branch of the City of Ottawa.

2.2 Governance Framework

2.2.1 Federal Government

The *Constitution Act, 1867* recognizes both federal and provincial governments jurisdiction over policing. The federal government is responsible for legislating “peace, order, and good government”, whereas the provincial governments are responsible for making law in relation to the administration of justice in each province. As such, the Ontario Provincial Government was granted the power to police the province from the federal government.

2.2.2 Provincial Government

Police Services Act

The vested powers and responsibilities of Police Services Boards are determined by the *Police Services Act* and associated regulations enacted by the Ontario Provincial Government.

As stated in the *Police Services Act*, the Board’s responsibilities include:

- submitting operating and capital budgets to Council that will “maintain the police force and provide it with equipment and facilities”
- appointing the members of the municipal police force
- generally determining, after consultation with the chief of police, objectives and priorities with respect to police services in the municipality
- establishing policies for the effective management of the police force
- recruiting and appointing the chief of police and any deputy chief of police, and annually determining their remuneration and working conditions, taking their submissions into account
- directing the chief of police and monitoring his or her performance and
- establishing policies respecting the disclosure by chiefs of police of personal information about individuals.

Under the provisions of the *Police Services Act*, the Board may give orders and directions to the chief of police, but not to other members of the police service, and no individual member of the Board may give orders or directions to any member of the police service. The Board is authorized to pass by-laws to establish rules for the effective management of the police service and, with some exceptions, can establish its own rules and procedures in performing its duties under the *Act*.

The Ministry of Community Safety and Correctional Services

The Policing Services Division of the Ministry of Community Safety and Correctional Services (the Ministry), is responsible for the ongoing development and improvement of

policing throughout the province of Ontario. The Policing Standards Section of the Ministry develops regulations and guidelines to:

- ensure adequate and effective police services across Ontario
- support the implementation of professional police practices
- address a broad range of issues to assist police in protecting public safety and preventing crime.

The Ontario Civilian Commission on Police Services

The Ontario Civilian Commission on Police Services (OCCPS) is an independent oversight agency committed to serving the public and ensuring that adequate and effective policing services are provided to the community in a fair and accountable manner. As an independent quasi-judicial agency, OCCPS carries out a number of duties that are primarily adjudicative and decision-making in nature. Specifically:

- hearing appeals of police disciplinary penalties
- adjudicating disputes between municipal councils and Police Services Board involving budget matters
- conducting hearings into requests for the reduction, abolition, creation or amalgamation of police services
- conducting investigations and inquiries into the conduct of chiefs of police, police officers and members of Police Services Boards
- determining the status of police service members
- conducting reviews of local decisions relating to public complaints at the request of complainants
- general enforcement relating to the adequacy and effectiveness of policing services.

In Ontario, police services and Police Services Boards are ultimately accountable to the public through OCCPS. The mandate and duties of the Ontario Civilian Commission on Police Services are set out in the *Police Services Act* and it reports to the Minister of the Ministry of Community Safety and Correctional Services.

2.2.3 Municipal Council

The Ottawa City Council is the funding body of Ottawa Police Services. Under the *Police Services Act*, City Council has the authority to establish the overall budget for Police Services, however, it does not have the authority to approve or disapprove of specific items within the budget. If the Board is not satisfied that the budget established by Council is sufficient to provide an adequate level of policing to the community, the Board may request that the Ontario Civilian Commission on Police Services (OCCPS) determine the question.

3. OBSERVATIONS AND RECOMMENDATIONS

As previously mentioned, the Auditor General presented the criteria to be used in this audit to the Ottawa Police Services Board on 28 February 2005. The current governance structures and practices were assessed against best practices, and not against the practices of other Police Services Boards.

The table below presents each of the audit criteria used to assess the governance structure and practices of the Board (as outlined in section 1.2 of this report) and summarizes the results of the audit for each. Detailed observations in areas where there are opportunities for improvement are discussed in the sections following the table.

Table 1 – Summary of Audit Results by Criterion

| AUDIT CRITERIA | AUDIT RESULTS |
|--|-----------------|
| 1. Are the responsibilities, roles, and duties of Board Members clearly defined and understood, including: | |
| <ul style="list-style-type: none"> • Have individual Board member duties and responsibilities been clearly defined? | Achieved |
| <ul style="list-style-type: none"> • Do members of the Board fully understand their responsibilities as specified in the Act? | See section 3.1 |
| <ul style="list-style-type: none"> • Has the Board established clear policies and procedures to guide it in carrying out its role? | See section 3.2 |
| <ul style="list-style-type: none"> • Is there a transparent and clear structure of responsibility that differentiates between what the Board can do and what managers and employees can do? | Achieved |
| <ul style="list-style-type: none"> • Does the Board and the sub-committees have clearly defined terms of reference? | See section 3.3 |
| <ul style="list-style-type: none"> • Does the Board have appropriate communications with Council? | Achieved |
| <ul style="list-style-type: none"> • Does the Board exercise a sufficiently independent voice that is not unduly influenced by senior management? | See section 3.4 |
| <ul style="list-style-type: none"> • Does the Board operate in an atmosphere of openness and trust? | Achieved |
| 2. Is there appropriate Board membership, composition, and selection, including: | |
| <ul style="list-style-type: none"> • Have Board member qualifications and competencies been clearly articulated? | Achieved |

| AUDIT CRITERIA | AUDIT RESULTS |
|--|------------------|
| <ul style="list-style-type: none"> Are the committees that have been established to assist the Board sufficient to ensure adequate and effective governance? | See section 3.3 |
| <ul style="list-style-type: none"> Does the Board have at least one member with financial expertise, including knowledge of accounting practices, financial controls, and financial analysis? | Achieved |
| <ul style="list-style-type: none"> Does the Board have a search or nominating committee that is responsible for selecting Board members? | See section 3.5 |
| <ul style="list-style-type: none"> Is the orientation for Board members adequate? | Achieved |
| <ul style="list-style-type: none"> Is the ongoing training for Board members adequate? | See section 3.6 |
| 3. Is the Board evaluation process adequate, including: | |
| <ul style="list-style-type: none"> Have annual objectives and/or performance indicators for the Board been established? | See section 3.7 |
| <ul style="list-style-type: none"> Is there a process for and annual self-evaluation of the Board's and/or individual member performance? | See section 3.7 |
| <ul style="list-style-type: none"> Is there a regular review undertaken regarding the quality of the agenda and minutes? | Achieved |
| <ul style="list-style-type: none"> Does the Board periodically assess its approach on how it reviews financial and budget information? | See section 3.10 |
| <ul style="list-style-type: none"> Are there processes in place for external audit or review? | See section 3.7 |
| 4. Is there appropriate conduct of Board meetings and recording information, including: | |
| <ul style="list-style-type: none"> Do meeting agendas focus on strategic, substantive issues? | See section 3.8 |
| <ul style="list-style-type: none"> Do meetings afford Board members adequate opportunity to provide meaningful input and provide a forum for raising and discussing significant issues? | Achieved |
| <ul style="list-style-type: none"> Is the quality and timeliness of information provided to Board members adequate? | Achieved |
| <ul style="list-style-type: none"> Are minutes of the previous meeting approved at the following meeting? | Achieved |
| <ul style="list-style-type: none"> Is responsibility for any required action clearly indicated in the minutes? | Achieved |
| <ul style="list-style-type: none"> Are the Board meetings well attended by Board members? | Achieved |

| AUDIT CRITERIA | AUDIT RESULTS |
|--|------------------|
| <ul style="list-style-type: none"> Is there a high level of member participation at Board meetings? | Achieved |
| <ul style="list-style-type: none"> Is there an adequate process for recording, tracking, and following up on an interest? | See section 3.9 |
| 5. Does the Board play an adequate role in strategic planning and performance measurement, including: | |
| <ul style="list-style-type: none"> Does the Board have an adequate role in budget direction? | See section 3.10 |
| <ul style="list-style-type: none"> Does the Board have an adequate role in strategic planning? | See section 3.11 |
| <ul style="list-style-type: none"> Does the Board have an adequate role in risk management? | Achieved |
| <ul style="list-style-type: none"> Does the Board play a role in setting “tone at the top”? | Achieved |
| <ul style="list-style-type: none"> Does the Board have an adequate role in performance measurement? | See section 3.12 |
| <ul style="list-style-type: none"> Is there an effective process for evaluating the performance of the Chief? | Achieved |
| <ul style="list-style-type: none"> Is there an effective process for succession planning for senior staff? | Achieved |

3.1 Roles and Responsibilities

The *Police Services Act* outlines the duties and responsibilities of Board members. The Board has further defined Board and Board member duties and responsibilities in the Board Policy Manual. The Policy Manual provides a detailed “Board Job Description” (section 1.3) and a detailed description of the “Chairperson’s Role” (section 1.4).

The *Police Services Act* also requires the Board to develop policies “for the effective management of the police force”. The Board has done this by developing policies, procedures, and by-laws in the following areas:

- Board Policy Manual,
- Public Complaints Process,
- Public Consultation Policy,
- Discretionary Fund Policy,
- False Alarm Reduction By-Law and Policy, and
- Information Sharing Protocol with Municipal Council

One of the principle regulations used to assist Police Services in implementing the *Police Services Act* is the Regulation on the *Adequacy and Effectiveness of Police Services*. The Regulation states that:

- Section 35: Every board and chief of police shall implement a quality assurance process relating to the delivery of adequate and effective police services, and compliance with the Act and its regulations.
- Section 37 (1): Every board shall evaluate the adequacy and effectiveness of the services provided by its police force by comparing those services with the requirements of this Regulation.

The Board Policy Manual addresses Section 35 of the Adequacy and Effectiveness of Police Services regulations in two sections:

- **Section 1.9 Cost of Governance** indicates that outside monitoring assistance will be arranged so that the Board can exercise confident control over organizational performance
- **Section 2.4 Monitoring the Chief's Performance** talks about policy monitoring via external reporting – discovery of compliance information by a disinterested, external auditor, inspector or judge, or by the Ministry as part of their regular audit of the police service.

Ensuring compliance to the *Police Services Act* and its regulations is a major civilian oversight function of Police Services Boards. However, with the exception of the Board receiving the Ministry's inspection report every 4 years from the Police Quality Assurance Unit, the Board is not taking proactive steps to ensure this is being done. The Board has not required compliance reporting from OPS senior management, nor has it engaged external expertise to provide outside monitoring assistance. As a result, the Board relies solely on the Ministry's inspection reports to evaluate compliance. This is not to say that OPS management do not have their own processes and procedures in place to ensure compliance, rather there is no requirement to report back to the Board on these activities.

The OPS currently does not have an audit function, which would strengthen internal oversight of all aspects of the Ottawa Police Service. However, a current OPS senior management initiative is in process to develop an internal audit function as a part of a larger plan that encompasses risk management, ethics, and discipline. The decision to create an internal audit function indicates the commitment of OPS senior management to ensure organizational effectiveness. Board participation in the development of an audit policy and annual audit plan will be important in ensuring the success of the internal audit function.

Regarding the Board's communication with Council, the Board Policy Manual states (section 3.9 Independence of the Board) that when the Chief appears before City Council or any of its committees, he will be accompanied by the Board Chair or another Board member so designated, unless he is there for an administrative matter within the Chief's purview, or to monitor Council or a Committee's discussions. This is not current practice as most all presentations made to Council are made solely by the Chief. Aside from the policy requirement, from an optics perspective, the lack of Board presence during presentations to Council diminishes the prominence of the Board and its governance and oversight role, and may give the perception that the Chief is wholly responsible for the Ottawa Police Service. As such, a greater presence by the Board on these occasions would be appropriate and beneficial.

Recommendations

1. That the Board:

- develop a quality assurance process to ensure compliance to the Police Services Act and its regulation.*
- require OPS senior management to provide information to the Board on the status of the internal audit function. Furthermore, that the Board, with input from the Chief, develop an audit policy.*
- as per the Board Policy Manual, ensure at least one Board member is present when the Chief appears before Council.*

3.2 Board Policies

Overall, the Board Policy Manual is very thorough and well thought out from a governance perspective. The Manual is intended to be a comprehensive source of information Board members require to carry out their governance role. It includes information from other applicable legislation, by-laws, and policies. It should be noted that Section 4 (Ends to be Achieved Policies) of the Manual was not complete at the time of this audit. The Ministry of Community Safety and Correctional Services' Report on the Inspection of the Ottawa Police Service (March 2005) also recommended that the Board complete the Board Policy Manual. In response to the Ministry Inspection Report, the Executive Director made amendments to the Board Policy Manual in June 2005. These amendments were largely an indexing and cross-referencing exercise to satisfy Ministry recommendations. On November 28th, 2005 the Board approved amendments to Section 4 of the Board Policy Manual, which now completes the Manual.

Most Board members stated that they did not refer to the Board Policy Manual on a regular basis, and mostly used it during the Chief's annual review. As a result, many of the elements that promote strong governance and oversight are not being adhered to. Specifically:

- **Section 1.2 Governing Style** – states that the Board will monitor and discuss the Board's processes and performance at least annually.
- **Section 1.6 Annual Board Planning Cycle** – states that to accomplish its job outputs with a governance style consistent with Board policies, the Board will follow an annual agenda. This section of the Board Policy Manual goes on to outline a sequence of planned discussions occurring in June, September, October, and January of each year.
- **Section 1.9 Cost of Governance** – states the Board's commitment to investing in its governance capacity which includes ongoing training of Board members and outside monitoring assistance so the Board can exercise confident control over organizational performance.

The Board does not have a formal process for reviewing and updating its policies on a regular basis, even though the Board Policy Manual states that the Board will compare Board activity and its adherence to policies at least annually (Section 1.2 Governing Style).

A memorandum from the Executive Director to the Board (17 October 2005) provided a description of the Policy Committee which stated that the "Board's policies should ideally be reviewed by the Committee on a yearly basis". However, it was confirmed through interviews with Board members and a review of the Board minutes that a regular review of Board policies does not take place. Until recently, the Policy Committee had been inactive since it met in facilitated sessions with OPS management to develop the 2004-2006 Business Plan.

Recommendation

2. That the Board:

- *as per the Board Policy Manual, develop a process to review and update (if required) all Board policies annually.*

3.3 Committee Structure

In addition to policies, procedures, and by-laws, the Board also has four committees that are to meet on an as required basis to assist the Board in conducting its business. The four committees include:

- Human Resources Committee
- Complaints Committee
- Policy Committee
- Budget Committee.

The Human Resources and Complaints Committees were created in order for the Board to meet its legislated responsibilities under the *Police Services Act*. The Budget Committee was just recently established in October 2005 in response to recommendations made by the Auditor General in the Audit of the Budget Development Process at the Ottawa Police Service (July 2005). The Policy Committee was established in September 1998 to develop a governance framework for the Board, which resulted in the Board Policy Manual.

There is a brief description of the first three Committees in the Board Policy Manual (Section 1.5 Board Committee Principles). However, the Board Policy Manual does not include a terms of reference for each of the committees. The memorandum regarding Membership on Board Committees from the Executive Director to the Board on 17 October 2005 included a brief description of each of the committees that is not contained in the Board Policy Manual, but is not a detailed terms of reference.

Recommendations

3. That the Board:

- *develop a detailed terms of reference for each of the committees to be included in the Board Policy Manual.*
- *review the committee structure on a regular basis to assess its appropriateness.*

3.4 Board/OPS Senior Management Relationship

The success of any Board relies heavily on the success of its relationships, both internally and externally. The Ottawa Police Services Board has achieved success in both areas. The Board has developed a strong and professional relationship among its members and with the OPS senior management. These relationships have become well established over time and are built on mutual trust and respect. This was evident during the interviews by comments made by both Board members and OPS senior management.

This is a key strength of the Board as positive working relationships provide a strong foundation for Board effectiveness.

There is also good communication between both parties. Most Board members stated that they feel like they can approach OPS senior management for more detailed information when necessary, and that OPS senior management works hard at keeping the Board informed of all relevant issues that arise between Board meetings. However, caution needs to be exercised that the relationship between the Board and OPS senior management does not become too familiar. This type of relationship can be counterproductive when difficult and contentious issues need to be dealt with.

The Board Policy Manual states that the Chief's communication with the Board should be with "the Board as a whole except when (a) fulfilling individual requests for information, or (b) responding to officers or committees duly charged by the Board". Most Board members and OPS senior management felt there was good role clarity between the Board's responsibilities and the Chief's responsibilities. However, some Board members raised concerns that, in the past, the Chair and the Chief's relationship had evolved into a closer than necessary working relationship, and that the Chair and Chief "discussed issues one-on-one too often". It was noted during the interviews that some felt the Board does not like to ask tough questions and challenge the Chief, especially in public meetings, and that the Board often looks to the Chief to determine priorities.

Recommendations

4. That the Board:

- maintain a sufficiently independent voice from OPS senior management.*
- as per the Board Policy Manual, adhere to its protocol for communications with the Chief.*

3.5 Board Member Appointments

There are essentially two appointing bodies of the Board – municipal Council and the Province of Ontario. As outlined in section 2.1 of this report, the Board is comprised of seven members. Four members are selected by Council – three Councillors and one citizen appointee (who is neither a member of Council nor an employee of the municipality), and three members are appointed by the Province of Ontario. As a result, the Board does not have control over who gets appointed and for how long. Because of this, Police Services Boards are susceptible to high turnover and loss of corporate memory.

The collective skill set of a Board is made up of the individual skill sets that each member brings to the Board. The Ottawa Police Services Board has developed a rigorous process for the City to use in selecting the citizen appointee which specifies the skill set being sought for that position. The Provincial appointment process, however, remains beyond the direct control of the Board. When asked how the Board attempts to ensure Provincial appointments result in the required collective skill set, most Board members indicated that no regular attempts have been made to liaise with the Province or Council as they felt the Board has no role in the selection process. A recent written request was made to the Province for an extension of Board members tenure but the request was denied.

Once appointed, many Board members indicated that the workload was more than they anticipated. This did not diminish their dedication or time commitment to the job but some Board members said it would have been useful for the appointing body to have provided more detailed information about the job requirements and commitments necessary to fulfill the position.

Recommendations

5. That the Board:

- determine the collective skill set required for the Board to successfully achieve its mandate of providing sound governance and oversight to the Ottawa Police Services.*
- develop a detailed job description for Board members that outlines expected workload, time commitment, and remuneration, including all activities that Board members may be required to participate in such as training, conferences, committee work, ceremonial events, and other relevant activities.*
- determine, each time a vacancy is about to occur, the required skill set that is necessary to achieve the collective skill set of the Board, and provide that information to the appointing body, along with the Board member job description.*

3.6 Board Member Training

The Ministry of Community Safety and Correctional Services, as well as national and provincial policing associations, all recognize that Board member orientation and training are essential elements of good governance. The *Police Services Act* states in Section 31(5) “the board shall ensure that its members undergo any training that the Solicitor General may provide or require”. The Board reinforces this in the Board Policy Manual

in Section 1.9 Cost of Governance, which states that “all Board members will undergo any training that the Solicitor General may provide or require”.

For the Ottawa Police Services Board, new Board members receive orientation from the Executive Director, which includes a comprehensive orientation package. New Board members also attend an orientation session given by OPS senior management. All Board members stated that the orientation was excellent and provided the necessary information on the Board’s responsibilities and operations.

In addition to orientation, various formats of on-going training are offered by the Ontario Association of Police Services Boards (OAPSB), the Canadian Association of Police Boards (CAPB) and the Ministry to Board members and the Board has funding allocated each year for training. The Board Policy Manual states that training (including attendance at conferences and workshops) is essential to governing well and that the Board will invest in training and retraining of Board members. When questioned about training during the interviews, the Board members were divided on the issue. Some indicated that training was essential to fully understanding governance and oversight responsibilities, and that members who did not attend training courses could not fully function in their role as a Board member. Others felt that the initial orientation was adequate.

Frederick Biro, Executive Director of the Peel Regional Police Services Board and Chair of the OMERS Board, has conducted two research studies on governance in the Canadian policing industry. Findings in both studies concluded that on-going training of Board members is paramount and that “each Board mandate continuous education and/or training for its members”. These findings are supported by the OAPSB and the CAPB.

As previously stated, the Board members are all accomplished individuals who bring valuable skills to the Board. However, policing is a complex industry with complex issues. In their role, Board members must deal with police staff and Police Association members who have years of policing experience. The training that is offered by the Ministry and OAPSB is designed to provide Board members with the information necessary to deal in this environment.

The Ontario Association of Police Services Board (OAPSB) has recently developed governance-training modules and is lobbying the provincial government to make this training mandatory. It should be noted that the OAPSB resolution on mandatory Board training was drafted by the current Chair of the Ottawa Police Services Board, who strongly supports mandatory Board training.

Recommendations

6. That the Board:

- specify Board member training requirements.*
- report annually (and publicly) on individual member training, and training of the Board as a whole.*

3.7 Board Evaluation Process

The Board Policy Manual indicates that the Board will “monitor and discuss the Board’s process and performance at least annually” and that “self-monitoring will include comparison of Board activity and its adherence to policies...” (section 1.2 Governing Style). The Manual also states that “funds will be allocated each year for third-party monitoring of organizational performance” (section 1.9 Cost of Governance). The Board meeting minutes reflect that this is not being done and this was confirmed by the Board members during the interviews.

As previously stated, the Board is comprised of seven highly accomplished and successful individuals from various professional backgrounds. During the interviews, it was clear that the contributions of individual Board members were well regarded and received by their Board colleagues and OPS senior management. However, most Board members acknowledged that regular Board evaluation and reporting would be beneficial to the Board.

Annual Board evaluation would allow the Board to determine:

- whether key responsibilities in the Board Policy Manual are being carried out,
- the adequacy and timeliness of information being received,
- the appropriateness of meeting agendas and meeting time allotted,
- how well Board members are working together, appropriateness of communication and discussion, degree of consensus achieved on key issues, etc., and
- overall level of Board’s effectiveness.

Recommendations

7. That the Board:

- as per the Board Policy Manual, determine performance evaluation measures and conduct a formal Board evaluation annually.*

- *report the results of the performance evaluation in a Board Activity Report in its public agenda. In addition to the performance evaluation results, the report should include information on such things as:*
 - *Board activities (e.g., number of Board meetings held, number of community meetings held, ceremonial events attended, number of Council presentations, etc.)*
 - *Hours of commitment*
 - *Board training (see recommendation # 6)*

3.8 Board Meetings

In reviewing the Board minutes and attending a number of Board meetings, it was observed that Board meetings are well attended and meetings always have quorum. As well, it is evident that the meetings are conducted in an atmosphere of openness where issues can be pursued to conclusion, with the full participation by Board members.

However, the minutes for the public meetings indicate that agendas do not follow what is outlined in the Board Policy Manual. Specifically:

- **Section 1.6 – Annual Planning Cycle** which outlines the Board’s planning cycle that is to include a “review of the past year, contemplations of improvement areas, debate on how much and what improvements to focus on for the coming year”.
- **Section 3.8 – Communication and Counsel to the Board (Chief’s Requirements)** which covers the schedule for required reporting to the Board.

As stated in the Board Policy Manual, it is the responsibility of the Executive Director to organize and maintain an annual calendar of monitoring and other reports to be received by the Board (section 1.8 – Role of the Executive Director). However, it is our observation that reports are frequently delayed or not submitted with no explanation from OPS senior management and no requests by the Board for clarification on status.

As an example, the 2004-2006 Business Plan was approved in June 2004. The Board requires status reporting every six months on the Business Plan to assess how the OPS is tracking against the Plan’s goals and objectives. Since the Business Plan was approved in June 2004 (18 months ago) there has been no status reporting and no requests made by the Board as to the reasons for delayed reporting. As a result, the Board does not currently have a formal process to monitor the achievement of goals and objectives set out in the Business Plan. The Chief’s annual performance review does to some extent demonstrate the degree to which goals and objectives are being met, as the Chief’s performance is synonymous with the performance of the OPS. However, the Chief’s annual performance review is an in-camera session between the Chief and the Board and

therefore, is not the venue to monitor achievement of the Business Plan. These reports should be presented in the public meetings with relevant OPS staff present. Another reporting mechanism is the annual Activity Report produced by the OPS, as required by the *Police Services Act*. The Activity Report provides an overview of police activities as well as crime statistics for the year. However, this report is not directly tied to the Business Plan and does not report on the status of how the OPS is tracking against the Business Plan.

Overall, it is our observation that the meeting minutes reflect that the Board's time and attention is mostly devoted to operational-type or micro-business issues (i.e., renewal of towing contracts, procurement approval, lease extensions, etc.), which for the most part, do require input from the Board. However, the meeting minutes reflect a lack of planned agenda items and discussions on substantive strategic issues. Some interviewees indicated that strategic discussions often arose as a result of a specific agenda item but that strategic discussions were not often planned. During the interviews, most Board members agreed that more emphasis on strategic discussions would benefit the Board.

As requested by a previous Board member, one of the first agenda items at each Board meeting is the Chief's verbal report. The verbal report provides an opportunity to present information on positive OPS activities, ceremonial happenings, and is an opportunity to recognize the service of OPS members. It is our observation that placing the Chief's verbal report at the beginning of the meeting may take the focus away from more strategic issues and may set a tone contrary to the objectives of the Board meeting. Best practice literature in this area states that, for Board meetings to be effective, challenging or contentious issues requiring debate should be placed first on the agenda, presentations should be limited to allow for more dialogue, and more attention should be given to the future issues than the past.

Recommendations

8. That the Board:

- as per the Board Policy Manual, adhere to the Annual Board Planning Cycle (section 1.6).*
- review the agenda, taking into consideration the need to include more strategic agenda discussions.*
- as per the Board Policy Manual, exercise more aggressive oversight of reporting to the Board by ensuring that the Executive Director organize and maintain an annual calendar of monitoring and other reports to be received by the Board. Furthermore, that the Board require reports to appear as an agenda item on the*

date they are scheduled to appear, and require OPS senior management to formally respond if a report is not going to meet a scheduled deadline.

- review the format of the Chief's verbal report, taking into consideration the principles of meeting effectiveness.*

3.9 Recording and Tracking Requests

The Executive Director is responsible for ensuring that minutes are taken at Board meetings, and presented at subsequent Board meetings for review and approval. The Board members agreed that meeting minutes are sufficiently detailed to reflect the Board meetings and presented in a timely manner and format for approval. It is also the responsibility of the Executive Director, as stated in the Board Policy Manual, to maintain a record of Board resolutions and inquiries requiring further or future actions and to keep the Board informed of these matters. Most Board members felt that resolution and inquiries brought forward at meetings were also sufficiently tracked and recorded. However, in reviewing the Board minutes it was noted that not all inquiries by Board members had been followed up on and reported back to the Board. A review of the log of all inquiries and resolutions indicates the following inquiries from the Board are outstanding:

- Number of Senior Officer Reductions and Re-Deployments to the Front-Line (February 2002)
- Pathway Patrol (October 2003)
- Follow-up to Inquiry #80 on Noise Pollution from Motorcycles & Straight Pipe Exhaust Systems (December 2003)
- Clearance Rates & Other Measures of Performance (interim reports received)
- Status Report on Neighbourhood Network technology (January 2004)
- Status Report on New Bay Ward Public Safety Organization (January 2004)
- Comparison Analysis of Complaints & Quantifying Compliments (January 2004)
- Report on False Alarm Program (March 2004)

A review of these outstanding items should be undertaken to determine which still require action and which could be eliminated.

Recommendations

9. That the Board:

- direct the Executive Director to present a report at each Board meeting that lists all the outstanding inquiries and resolutions, as a regular agenda item.*

- *review the current list of outstanding inquiries and resolution and determine which ones require action.*

3.10 Budget Direction

Council is the funding body of the OPS and has the authority to establish the overall budget, however, it does not have the authority to approve or disapprove of specific items in the budget. Therefore, Council relies on the Board to do its job to challenge and scrutinize the budget.

It was identified in the July 2005 Audit of the Budget Development Process at the Ottawa Police Service that overall, the processes used to develop the annual budget are effective. However, the audit did identify recommendations for immediate implementation so they could be incorporated into the development of the 2006 budget, specifically:

- the Board establish a Budget Advisory Committee which would be in a better position to provide more frequent and substantive input into budget development and financial performance monitoring.
- the OPS prepare a number of funding scenarios for the Board to review, including a 3% increase scenario up to the 9% increase scenario originally forecasted in the 2005 budget.
- the Board continuing to play a key role in scrutinizing draft budgets including questions to reconfirm the need for, and value of, specific services and programs.

It was not until the October 2005 Board meeting that the Budget Committee was established. As such, the 2006 budget was tabled on 9 November 2005 with no input from this Committee. The next step in the 2006 budget process was a 21 November 2005 meeting for public delegations, followed by the formal submission of the budget to the Board on 28 November 2005. It is the Board's role to ensure the budget is rigorously challenged and debated, and the current process does not allow for this type of Board input. As a result, the budget is largely determined by the Chief.

If the Board is not satisfied with the budget established by Council, the Board can request that the Ontario Civilian Commission on Policing Services (OCCPS) review and determine the budget. It should be noted that the Board has never taken this step, however, in our opinion, the risk of this occurring in the future would be significantly mitigated if the Board played a more substantive role in the budget development and review process.

Recommendation

10. That the Board review the July 2005 Audit of the Budget Development Process at the Ottawa Police Service and ensure timely implementation of the recommendations.

3.11 Strategic Planning

The strategic planning process for the OPS is essentially the development of the Business Plan. As legislated in the *Police Services Act*, the Board must prepare a business plan at least once every three years. The 2004-2006 Business Plan was approved by the Board in June 2004. The Board's Policy Committee, which is made up of three Board members, participated in two facilitated planning sessions with OPS senior management in developing the Plan. The resulting draft document from the planning sessions was presented to the Policy Committee for approval. Once approved by the Policy Committee, the Business Plan was presented to the Board for approval. The minutes of the 28 June 2004 Board meeting indicate that one question was asked by a Board member about the Business Plan before it was approved by the Board.

As stated in Section 3.9 of this report, once the Business Plan is approved, the Board policy requires status reporting every six months to monitor and evaluate how the OPS is tracking against the Plan. Since the Plan was approved in June 2004, there has been no status reporting.

Best practice indicates that the role of any Board in the strategic planning process is to:

- bring insight, knowledge, judgment and analytical skill to the process
- ensure strategic planning discussions occur in appropriate venues, with the atmosphere, format and allotted time to do the right job
- aggressively and constructively debate proposed strategy and considers critical issues
- obtain internal and external information needed to evaluate strategy
- ensure strategy planning process is sufficiently robust and considers a range of strategic alternatives
- evaluate past strategy success or failure
- assess best, worst and most-likely case scenarios
- reach agreement with management on performance measurements to be used in assessing the success of the strategy's implementation.

Clearly, some of these criteria have been met by the Policy Committee in developing the Business Plan. However, the Business Plan is a critical governing document and the majority of Board members were not involved in the development, challenge, or debate of it. In addition, it was observed during the interviews that although the presentation of the Business Plan is part of the orientation to new Board members, all Board members

are not fully aware of the contents of the Business Plan. One Board member thought it was a 5-year plan. As well, one of the interviewees indicated that the presentation of the Business Plan is part of the orientation to new Board members but it “just doesn’t seem to stick”.

The importance of the Business Plan needs to be recognized by the Board. Once the Business Plan is approved, OPS senior management develops detailed operational plans for each branch of the organization based on what is approved in the Business Plan, and the detailed operational plans have a significant impact on the day-to-day operations of the OPS.

Recommendations

11. That the Board:

- clarify its role in developing, challenging, and debating the Business Plan.*
- ensure that status reporting against the Business Plan is included in the agenda at the scheduled time.*
- require OPS senior management to link reports that are brought before the Board to the Business Plan, where appropriate.*

3.12 Performance Measurement

The meeting minutes indicate that performance measurement became an issue for the Board in December 2003 when, as a part of the Chief’s verbal report, the Chief discussed clearance rate statistics reported by Statistics Canada, which reflected negatively on the Ottawa Police Service. A discussion regarding clearance rates as an insufficient way to measure performance ensued. It was concluded that the OPS needed to determine performance measures that are relevant and meaningful to the community.

As a result of the December 2003 discussion, three interim reports on performance measurement were presented to the Board in January, February, and March 2004. The reports outlined a summary of research on measuring police performance and other related initiatives that were being pursued. The reports did not provide a work plan on how measuring police performance was going to be accomplished or a timeline for reporting back to the Board.

In June 2004, the Board approved the 2004-2006 Business Plan. The Business Plan stated that one of the objectives of the OPS was to establish a Performance Measurement

Framework. Specifically, to:

- conduct broad-based research into police performance measurement
- enlist a panel of local experts to assist in identifying relevant measures
- develop a “dashboard” of community-supported indicators to monitor/measure organizational performance.

A Performance Measurement Ad Hoc Committee comprised of OPS senior management, two Board representatives, and community representatives was established and met for the first time in May 2005 and then again in June 2005. The mandate of the Committee is for committee members to work with Executive Command and a Citizen’s Advisory Panel to create a dashboard of community-based performance indicators that are relevant, measurable and realistic. To date, there has been no reporting (status or otherwise) back to the Board on performance measurement since March 2004, nor has there been any requests made by the Board for reporting. Also, since the resignation of the past Chair, the number of Board representatives on the Performance Measurement Ad Hoc Committee has been reduced from two representatives to one.

As stated in the OAPSB governance training material and as reinforced in the current governance literature, performance measurement is one of the key tools used by Boards to satisfy itself that adequate and effective police services are being provided. Without these types of monitoring and evaluation tools, it is difficult to assess progress and success. The Chief also stated in his January 2004 report to the Board that “it is evident that what is lacking is a single, comprehensive suite of performance measures that answer the question – *how are we doing?*”

Work has been done and continues to be done by the OPS on developing a performance measurement framework. However, it has been over a year and a half since the Board has discussed it or questioned OPS senior management about the status of it.

Recommendations

12. That the Board

- *work with OPS senior management to determine an appropriate timeframe for developing the Performance Measurement Framework and the reporting of it.*
- *add one more representative to the Performance Measurement Ad Hoc Committee.*

4. CONCLUSION

Overall, the governance structure and practices of the Ottawa Police Services Board have a good foundation due to the strong, professional working relationship built on trust and mutual respect that has been established with the Chief and OPS senior management. However, an organization cannot rely solely on the strength of good working relationships to achieve good governance. There also needs to be a strong framework of policies and procedures that is regularly monitored and reviewed to ensure that it continues to meet the needs of the Board and the organization. This is the area where the Ottawa Police Services Board needs to focus their attention. There are several procedures and processes that the Board needs to consider in order to strengthen its oversight and governance function. As well, a strong policy framework will address the issue of continuity, as member turnover will continue to be a challenge for the Board.

For the recommendations in this report to be successfully implemented, the Chair with the support of the Executive Director needs to invest the time and energy to see these recommendations through. It is our opinion that any costs associated with implementing these recommendations can be absorbed within the existing budget for the Ottawa Police Services Board.

MANAGEMENT RESPONSE

15 December 2005

File: 07-00-0032

Mr. Alain Lalonde
Auditor General
City of Ottawa
110 Laurier Avenue West
Ottawa, ON K1P 1J1

Dear Mr. Lalonde:

Re: Governance Audit of the Ottawa Police Services Board

I am writing on behalf of the Ottawa Police Services Board to thank you for your report on the governance practices of our Board, and to advise that we welcome your recommendations as a positive opportunity to improve the way we conduct our business and serve the residents of the City of Ottawa.

The Ottawa Police Services Board has demonstrated a long-standing commitment to pursuing excellence in police governance, as is demonstrated by the involvement of several consecutive members in both the provincial and national associations representing municipal police governing authorities. From August 1997 until September 2005, two successive members of the Ottawa Police Board served on the Board of Directors for the Canadian Association of Police Boards, one of whom served as President for two terms. Similarly, three successive members of the Ottawa Board have served on the board of directors for the Ontario Association of Police Services Boards (OAPSB) beginning in 1998. I am proud to continue that commitment through my own involvement on the OAPSB Board in the current term. Our commitment to good governance and to bettering police governance practices locally, provincially and nationally is sincere and well established.

We therefore welcome the results of your audit and look forward to the challenging work ahead of us. Over the next month the Board and Executive Director will review each of the recommendations, in consultation with the Chief when necessary, to develop a comprehensive implementation plan that will include the Board's response to each recommendation and timelines for completion. The implementation plan will be presented to the Board for approval at its public meeting scheduled for 16 January 2005.

We are keen to seize this opportunity to enhance our governance practices, and look forward to working toward that end in the coming year.

Sincerely,

Eli El-Chantiry, Chair
Ottawa Police Services Board