



Office of the Auditor General / Bureau du vérificateur général

**AUDIT OF GOVERNANCE AND COMPLIANCE WITH ACCESS
MANAGEMENT AGREEMENT OF THE
SOUTHPOINTE COMMUNITY ASSOCIATION**

2008

**VÉRIFICATION DE GOUVERNANCE ET CONFORMITÉ AVEC
L'ENTENTE DE GESTION DE L'ACCÈS DE L'ASSOCIATION
COMMUNAUTAIRE SOUTHPOINTE**

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EXECUTIVE SUMMARY

Introduction

In November 2007, Council approved an expanded mandate for the Office of the Auditor General (OAG). This revised mandate authorized the OAG to conduct audits of any recipients of City of Ottawa grants, whether direct funding or in-kind services. In 2008, one of the recipient organizations selected for an audit was the Southpointe Community Association.

Background

The Southpointe Community Association (SCA) is a volunteer organization staffed by and serving the residents of the community. It entered into an “Access Management Agreement to Enter City of Ottawa Facilities” with the City of Ottawa for the period September 1, 2004 to September 1, 2005. Under this agreement the City of Ottawa agreed to make Southpointe Community Centre, located at 220 Stoneway Drive, available to community organizations to meet their objectives. SCA is responsible for booking and providing user organizations with keys to enter and make use of the Southpointe Community Centre.

Audit Objectives

The objectives of the audit were to determine whether:

1. SCA maintains appropriate management practices and controls to ensure adherence to the requirements of the Access Management Agreement with the City of Ottawa; and,
2. The Executive Committee follows governance practices that provide effective direction and support based on the Office of the Auditor General’s standard Governance Audit Criteria recognizing that the organization is relatively small and volunteer based.

Audit Scope

In addition to the assessment against the OAG standard Governance Audit Criteria, the audit considered SCA’s compliance with the July 20, 2004 Access Management Agreement during the period January 1, 2007 to December 31, 2007.

The compliance portion of the audit was conducted during the month of September 2008 at the SCA building. The governance portion of the audit was conducted during the month of January 2009.

Summary of Key Findings

- The last Access Management Agreement to Enter City of Ottawa Community Facilities between the City of Ottawa and Southpointe Community Association was dated July 20, 2004 and covered the period July 2004 to July 2005. This agreement was signed by the Southpointe Community Association but was not signed by the City of Ottawa. No Access Management Agreement has been signed covering subsequent years.
- Article 6.h of the Access Management Agreement requires SCA to visit and check the facility to ensure that users/organizations have secured the facility. The Acting Building Manager advised that these visits and checks are conducted regularly however there was no evidence of this as the Facility Inspection Form Pre & Post Event form is not used to document the visits and checks of the facility.
- While it is acknowledged that many grant recipient organizations are relatively small and in many cases volunteer based, there are some fundamental governance principles that the City needs to have in place to ensure adequate management and oversight of City funding. The intention is not to overburden recipients with bureaucracy and inflexible rules but rather to put in place basic governance practices to protect the interests of both the City and the recipient organization.

Recommendations and Responses

It should be noted that on June 15, 2009, the Auditor General requested a management response from the SCA for those recommendations directed at the Association. On July 27, 2009 a second letter was sent to the SCA indicating that, since no response was received, the OAG would assume agreement with the facts of the report as well as the recommendations.

Recommendation 1

The City ensure that all Access Management Agreements are signed by a City of Ottawa representative.

Management Response

Management agrees with this recommendation.

All Access Management Agreements will be reviewed for compliance by September 30, 2009.

SCA Response

SCA agrees with this recommendation. These papers have already been signed and already sent back to the City.

Recommendation 2

That City and the Southpointe Community Association enter into a new Access Management Agreement to cover the current period.

Management Response

Management agrees with this recommendation.

A new agreement between the SCA and the City was executed on September 9, 2008. The Access Management Agreement was revised in 2004 and it now contains a clause specifying that agreements are automatically renewed until such time as the parties agree to revoke or amend the agreement.

SCA Response

The original agreement is still intact therefore it is operational and valid until further changes in Executive for SCA.

Recommendation 3

That the new Access Management Agreement clearly define the users/organizations and that any related guidelines be amended to conform to the terms and conditions of the Agreement.

Management Response

Management agrees with this recommendation.

The Access Management Agreement template will be revised to comply with this recommendation by December 31, 2009.

SCA Response

SCA is concerned that due to the scope of this audit (not appropriate for small CA)the new a renewed policy with make the Volunteer positions for SCA executive more burdensome.

Recommendation 4

That the City require for all users/organizations to provide the original signed copy of Annex B of the Access Management Agreement (the response to this recommendation should be developed in concert with the City Solicitor).

Management Response

Management agrees with this recommendation.

Clause 3e of the Agreement requires that user groups sign and return Annex B to the Building Manager, and Clause 3f requires that the Building Manager provide the Department with original signed copies of Annex B annually. Management intends to revise the wording of Clauses 3e and 3f, by December 31, 2009, to more clearly identify responsibilities, and to modify Clause 3f to require the Building Manager to provide the City with Annex Bs on a quarterly basis. The City Solicitor has been consulted and concurs with this direction.

SCA Response

The SCA has a signed Annex B.

Recommendation 5

That the Building Manager ensure all Building Request Forms are signed by the Building Manager and that the Building User initial each term and condition.

Management Response

Management agrees with this recommendation.

The Building Managers will be instructed to seek initials for each term and condition on existing form. As part of a review and revision of all Access Management Agreement forms, Management will seek the City Solicitor's input on the adequacy of a statement on the permit that would alleviate the need to have each term and condition initialed. Current permit includes "The undersigned agrees to abide by the terms and conditions stated on the back of this form". The current permit includes a space for initialing next to each term and condition that could lead to the perception that the absence of initials indicates disagreement.

SCA Response

The Building Manager does have all renters sign the back copy of the rental agreement, for each spot beside each term of use. We do not allow anyone to not sign.

Recommendation 6

That the Building Manager provide a copy of Annex J for all user/organizations to the appropriate City of Ottawa officials.

Management Response

Management agrees with this recommendation.

Management has contacted the Southpointe Community Association and they have agreed to provide the Department with signed copies of Annex J for all their users by September 30, 2009.

SCA Response

The SCA has submitted new signed contract for existing block users.

Recommendation 7

That the Building Manager document the pre- and post-event inspections of the facility.

Management Response

Management agrees with the intent of this recommendation.

Management supports pre and post event inspections and documentation for new, unknown user groups and for high-risk events where damage and loss are more likely to occur. Building Managers will be instructed to document these pre and post event inspections in those instances where they are completed.

Management does not believe, however, that inspections for bookings by known groups with an established record of responsible use of facilities are warranted. There are very low incidents of damages and injuries during regular user group use of City and Partner facilities. Pre and post facility inspections for use by all groups would be very onerous on a volunteer Building Manager group and would establish a level of service that exceeds what is in place at City operated facilities.

SCA Response

This recommendation is another example of the Audit is over burdening the Volunteer in the Community. The building has been rented out by the SCA for the past 5 years under the current Executive and we have never had any damage to the facility occur. The Building Manager does an inspection after event users to ensure garbage has been removed from the premises, the building has been swept/mopped and left clean, and the kitchen has been cleaned. We do not however use a form to add to the work load of our Volunteer Building Manager.

If the recommendations of this Audit does add to the work load of our Building Manager we as an Association will have to look at turning the buildings management back over to the city as we only receive a service in kind of \$5.42 per hour for a total of 4 hours per month for our events.

Recommendation 8

That an additional Vice-President be appointed to the Executive Committee.

SCA Response

Again this is another issue which has simple statement for recommendation but it is hard to get anyone volunteer for the Association. We are a strong and active Community but with many families busy it is very hard to find Volunteers. A great example is that our Executive has stayed the same for years.

Recommendation 9

That the Executive Committee be charged with the responsibility for search and nomination of Board members whenever vacancies arise.

SCA Response

Another simple recommendation but not easily done. We are an active Association but with not many volunteers for Executive positions but volunteers that help at events.

Recommendation 10

That the Executive Committee establish annual objectives and performance indicators so that it is can measure its success in achieving its objectives.

SCA Response

Our objectives are foster community spirit. We have events yearly and host events, sponsor programs in our community. We do not need to run like a business. Our success is monitored by how well attended our programs, and event are. Our outdoor rinks were managed by volunteers and had over 2200 people use them.

Recommendation 11

That the Executive Committee establish an annual self-evaluation of its performance and of individual member performance.

SCA Response

Our Association does this on a volunteer basis.

Recommendation 12

That the Executive Committee approve, at each meeting, the minutes of the previous Executive Committee meeting.

SCA Response

SCA agrees.

Recommendation 13

That the Executive Committee establish an in camera meeting policy similar to that of Ottawa City Council.

SCA Response

We are unsure where the funds would come from for this. Again we are a small Association. This recommendation is not in the spirit of Community Volunteering.

Recommendation 14

That the Executive Committee ensure there is an individual who is qualified to assume the responsibilities of Building Manager, in the event the position becomes vacant.

SCA Response

SCA has a back up plan which is that the President takes over in case of emergency, which Tanya has done. Unfortunately we have not found a person willing to do this job as Volunteer.

Conclusion

Although the City and SCA continue to work under the Access Management Agreement, no signed agreement has been in place since July 2005. A new agreement should be entered into each year or the new agreement should make provisions for it to be applied to periods subsequent to the one covered in the new agreement. The audit has revealed some areas where there is a lack of compliance with Access Management Agreement. In addition, some of the Governance Audit Criteria have not been met. These areas should be examined bearing in mind the small size and limited resources of the organization and the desire to avoid overburdening it with bureaucracy and inflexible rules.

SCA Conclusion

SCA fully believes in the Audit process and applauds the checks and balances of the process, however the scope of this Audit does not compare with our Volunteer Base. The Audit process was clearly geared towards a business. There were such questions as “How the President sets the tone from the top down”. In our Associations we work as a team. The process took two days, which the Executive had to take off work as the Auditor only worked days not evening, again we are volunteers. This process is not conducive to having Volunteers remain in partnership with City when managing the Facility if we are to add to the job description of the Volunteer Building Managers. It has become such an impossible job to find a Volunteer for many CAs have gone to paying for this position. The SCA will determine if we have to go this route.

Acknowledgement

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management of the Southpointe Community Association.

RÉSUMÉ

Introduction

En novembre 2007, le Conseil municipal a approuvé un mandat élargi pour le Bureau du vérificateur général (BVG). Ce mandat révisé autorisait le BVG à procéder à des vérifications de tous les bénéficiaires de subventions de la Ville d'Ottawa, que ce soit sous forme de financement direct ou de services en nature. En 2008, une des organisations récipiendaires choisies pour vérification était l'Association communautaire Southpointe.

Contexte

L'Association communautaire Southpointe (ACS) est un organisme composé de bénévoles résidant dans la collectivité qu'elle dessert. Elle a conclu avec la Ville une «Entente de gestion de l'accès aux installations de la Ville d'Ottawa » du 1^{er} septembre 2004 au 1^{er} septembre 2005. Aux termes de cette entente, la Ville d'Ottawa a accepté de mettre le Centre communautaire Southpointe, situé au 220, promenade Stoneway, à la disposition des organisations communautaires afin de leur permettre d'atteindre leurs objectifs. L'ACS est responsable des réservations et de la remise des clés aux organismes utilisateurs afin qu'ils puissent avoir accès au Centre communautaire Southpointe et l'utiliser.

Objectifs de la vérification

Les objectifs de la vérification consistaient à déterminer si :

1. l'ACS observe des pratiques de gestion et de contrôle adéquates pour assurer la conformité aux conditions de l'entente de gestion de l'accès conclue avec la Ville d'Ottawa ; et
2. le comité exécutif suit des pratiques en matière de gouvernance assurant une gestion et un soutien efficaces, d'après les critères standard de vérification de la gouvernance du BVG, compte tenu de la taille relativement modeste de l'Association et de son caractère bénévole.

Portée de la vérification

En plus de l'évaluation par rapport aux critères standard de vérification du BVG en matière de gouvernance, la vérification portait sur la conformité de l'ACS à l'entente de gestion de l'accès signée le 20 juillet 2004 et couvrant la période du 1^{er} janvier au 31 décembre 2007.

Ce dernier aspect de la vérification a été effectué en septembre 2008 au siège de l'ACS. La partie de la vérification portant sur la gouvernance a été effectuée en janvier 2009.

Résumé des principales constatations

- La dernière entente de gestion de l'accès aux installations communautaires d'Ottawa entre la Ville d'Ottawa et l'Association communautaire Southpointe était datée du 20 juillet 2004 et couvrait la période de juillet 2004 à juillet 2005. Cet accord a été signé par l'Association communautaire Southpointe, mais non par la Ville d'Ottawa. Aucune entente de gestion de l'accès n'a été signée à l'égard des années subséquentes.
- L'article 6.h de l'entente de gestion de l'accès exige que l'ACS inspecte et vérifie les installations afin de s'assurer que les utilisateurs ou organismes les ont bien fermées à clé. Le gestionnaire d'immeuble par intérim affirme que ces inspections et vérifications sont faites périodiquement; toutefois, il n'est pas possible de le prouver, car on n'utilise pas les formulaires d'inspections des installations avant et après l'événement pour documenter ces inspections et vérifications.
- Tout en reconnaissant que de nombreux organismes bénéficiaires de subventions sont d'envergure relativement modeste et dans bien des cas, composés de bénévoles, la Ville doit se doter de quelques principes fondamentaux de gouvernance afin d'assurer la saine gestion et la surveillance adéquate du financement municipal. L'intention n'est pas de faire crouler les bénéficiaires sous le poids de la paperasserie et de règles inflexibles, mais plutôt de mettre en place des pratiques de base en matière de gouvernance afin de protéger les intérêts de la Ville et de l'organisation bénéficiaire.

Recommandations et réponses

Il convient de noter que le 15 juin 2009, le vérificateur général a demandé une réponse de la direction de l'ACS aux recommandations concernant l'Association. Le 27 juillet 2009, une deuxième lettre a été envoyée à l'ACS indiquant que, n'ayant pas reçu de réponse, le BVG tiendrait pour acquis que l'ACS était d'accord avec les faits présentés dans le rapport, ainsi qu'avec ses recommandations.

Recommandation 1

Que la Ville s'assure que toutes les ententes de gestion de l'accès portent la signature d'un représentant de la Ville d'Ottawa.

Réponse de la direction

La direction est d'accord avec cette recommandation.

La conformité de toutes les ententes de gestion de l'accès sera vérifiée le 30 septembre 2009 au plus tard.

Recommandation 2

Que la Ville et l'Association communautaire Southpointe concluent une nouvelle entente de gestion de l'accès pour la période en cours.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Un nouvel accord entre l'ACS et la Ville a été signé le 9 septembre 2008. L'entente de gestion de l'accès a été mise à jour en 2004 et comporte maintenant une clause qui en prévoit le renouvellement automatique jusqu'à ce que les parties conviennent de révoquer ou de modifier l'accord.

Recommandation 3

Que la nouvelle entente de gestion de l'accès définisse clairement les utilisateurs/organisations et que toutes les directives qui y sont associées soient modifiées de manière à être conformes aux modalités de l'entente.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Le modèle d'entente de gestion de l'accès sera mis à jour afin d'être conforme à cette recommandation au plus tard le 31 décembre 2009.

Recommandation 4

Que la Ville exige que tous les utilisateurs/organisations fournissent l'original signé de l'Annexe B de l'entente de gestion de l'accès (la réponse à cette recommandation devrait être élaborée de concert avec le chef du contentieux).

Réponse de la direction

La direction est d'accord avec cette recommandation.

La clause 3e de l'entente exige que les groupes d'utilisateurs signent et retournent l'Annexe B au gestionnaire d'immeuble, et la clause 3f exige que le gestionnaire d'immeuble fournisse au service les originaux signés de l'Annexe B une fois par an. La direction a l'intention de mettre à jour le libellé des clauses 3e et 3f, pour le 31 décembre 2009, afin de préciser plus clairement les responsabilités, et de modifier la clause 3f de manière à exiger que le gestionnaire d'immeuble remette à la Ville l'Annexe B sur une base trimestrielle. Le chef du contentieux a été consulté et est d'accord avec cette réponse.

Recommandation 5

Que le gestionnaire d'immeuble s'assure que tous les formulaires de demande concernant l'immeuble portent sa signature et que l'utilisateur de l'immeuble en paraphe chacune des modalités.

Réponse de la direction

La direction est d'accord avec cette recommandation.

Les gestionnaires d'immeuble seront chargés de demander que les modalités soient paraphées sur le formulaire existant. Dans le cadre de l'examen et de la révision de tous les formulaires d'entente de gestion de l'accès, la direction consultera le chef du contentieux sur le bien-fondé d'ajouter sur le permis une déclaration qui éviterait la nécessité de parapher chacune des modalités. Le permis actuel précise : « Le soussigné accepte de se conformer aux modalités indiquées au verso de ce formulaire ». Le permis actuel comporte un espace pour les initiales à côté de chaque modalité, ce qui pourrait donner l'impression que l'absence d'initiales indique le désaccord.

Recommandation 6

Que le gestionnaire d'immeuble fournisse une copie de l'Annexe J concernant tous les utilisateurs ou organismes aux responsables concernés de la Ville d'Ottawa.

Réponse de la direction

La direction est d'accord avec cette recommandation.

La direction a communiqué avec l'Association communautaire Southpointe qui a accepté de fournir au service les exemplaires signés de l'annexe J pour tous ses utilisateurs le 30 septembre 2009 au plus tard.

Recommandation 7

Que le gestionnaire d'immeuble documente les inspections des installations avant et après l'événement.

Réponse de la direction

La direction est d'accord avec l'intention de cette recommandation.

La direction appuie les inspections avant et après l'événement et la documentation de nouveaux groupes d'utilisateurs inconnus et d'événements à risque élevé, où la probabilité de dommages et de pertes est plus élevée. Les gestionnaires d'immeuble seront chargés de documenter les inspections avant et après l'événement, s'il y a lieu.

La direction ne croit pas, cependant, que dans le cas de réservations de la part de groupes connus ayant un dossier établi d'utilisation responsable des installations,

une inspection soit justifiée. Il y a très peu de cas de dommages ou de blessures lors de l'utilisation régulière par des groupes d'utilisateurs des installations de la Ville ou de ses partenaires. Inspecter les installations avant et après chaque événement serait très lourd pour un groupe de gestionnaires d'immeuble composé de bénévoles et établirait un niveau de service qui dépasse ce qui est en place dans les installations administrées par la Ville.

Recommandation 8

Qu'un vice-président additionnel soit nommé au comité exécutif.

Recommandation 9

Que le comité exécutif assume la responsabilité du recrutement et de la nomination des membres du conseil d'administration chaque fois qu'une ouverture se présente.

Recommandation 10

Que le comité exécutif établisse des objectifs annuels et des indicateurs de rendement de manière à pouvoir mesurer son succès dans l'atteinte de ses objectifs.

Recommandation 11

Que le comité exécutif mette en place une auto évaluation annuelle de son rendement et de celui de chacun des membres à titre individuel.

Recommandation 12

Que le comité exécutif approuve, lors de chaque réunion, le procès-verbal de la réunion précédente du comité exécutif.

Recommandation 13

Que le comité exécutif adopte une politique de réunion à huis clos semblable à celle du Conseil municipal d'Ottawa.

Recommandation 14

Que le comité exécutif s'assure qu'il y a une personne qualifiée pour assumer les responsabilités de gestionnaire d'immeuble, si ce poste devient vacant.

Conclusion

Bien que la Ville et l'ACS continuent à fonctionner aux termes de l'entente de gestion de l'accès, aucun accord signé n'est en place depuis juillet 2005. Une nouvelle entente devrait être conclue chaque année ou il devrait y être prévu qu'elle puisse s'appliquer à des périodes subséquentes à celle qu'elle couvre. La vérification a permis de déceler quelques points non conformes à l'entente de gestion de l'accès. De plus, certains des critères de vérification de la gouvernance n'ont pas été satisfaits. Ces points devraient être examinés, compte tenu de la taille modeste et des ressources restreintes de

l'organisation et du désir d'éviter de la surcharger sous des processus bureaucratiques et des règles inflexibles.

Remerciements

Nous tenons à remercier la direction de l'Association communautaire Southpointe pour l'assistance et la coopération dont elle a fait preuve envers l'équipe de vérification.

1 Introduction

In November 2007, Council approved an expanded mandate for the Office of the Auditor General (OAG). This revised mandate authorized the OAG to conduct audits of any recipients of City of Ottawa grants, whether direct funding or in-kind services. In 2008, one of the recipient organizations selected for an audit was the Southpointe Community Association.

2 Background

The Southpointe Community Association (SCA) is a volunteer organization staffed by and serving the residents of the community. It entered into an “Access Management Agreement to Enter City of Ottawa Facilities” with the City of Ottawa for the period September 1, 2004 to September 1, 2005. Under this agreement the City of Ottawa agreed to make Southpointe Community Centre, located at 220 Stoneway Drive, available to community organizations to meet their objectives. SCA is responsible for booking and providing user organizations with keys to enter and make use of the Southpointe Community Centre.

3 Audit Objectives

The objectives of the audit were to determine whether:

1. SCA maintains appropriate management practices and controls to ensure adherence to the requirements of the Access Management Agreement with the City of Ottawa; and,
2. The Executive Committee follows governance practices that provide effective direction and support based on the Office of the Auditor General’s standard Governance Audit Criteria recognizing that the organization is relatively small and volunteer based.

4 Audit Scope

In addition to the assessment against the OAG standard Governance Audit Criteria, the audit considered SCA’s compliance with the July 20, 2004 Access Management Agreement during the period January 1, 2007 to December 31, 2007.

The compliance portion of the audit was conducted during the month of September 2008 at the SCA building. The governance portion of the audit was conducted during the month of January 2009.

5 Audit Criteria

The audit criteria for the examination of compliance with the provisions of the Access Management Agreement were developed based on the requirements of the agreement. Compliance with the agreement was examined against specific criteria in the following categories:

- Agreement Execution and Obligations;
- Permitted Activities;
- Securing the Facility;
- Facility Damage Reporting;
- Signage;
- Incident Reporting; and,
- Indemnification.

Current Governance practices were assessed against specific criteria in the following categories (a complete list of these criteria is presented in the Observations section of this report):

- Responsibilities, Roles and Duties of Board Members;
- Board Membership, Composition and Selection;
- Board Evaluation Process;
- Board Meetings and Information; and,
- Strategic Planning and Performance Measurement.

6 Audit Methodology

The records of SCA relating to the Access Management Agreement (agreement, guidelines, agreements with user organization and documentation supporting application) were examined. At the conclusion of the audit the Acting Building Manager was advised of the observations and recommendations on September 8, 2008.

The records of SCA relating to its governance practices (constitution, minutes of Executive Committee meetings, minutes of Annual General Meetings and minutes of General Meetings) were reviewed. Discussions were held with the President, Vice President and Treasurer of SCA. Information was obtained through email communication from the Liaison Officer, Community Recreation, City of Ottawa who deals with the Access Management Agreement.

7 Observations and Recommendations

7.1 Compliance with Access Management Agreement

7.1.1 Access Management Agreement Execution and Obligations

The last “Access Management Agreement to Enter City of Ottawa Community Facilities” between the City of Ottawa and Southpointe Community Association was dated July 20, 2004 and covered the period July 2004 to July 2005. This agreement was signed by the Southpointe Community Association but was not signed by the City of Ottawa. No Access Management Agreement has been signed covering subsequent years. Either a new agreement should be entered into each year or the new agreement should make provisions for it to be applied to periods subsequent to the one covered in the new agreement.

Article 3.e of the Access Management Agreement requires SCA to ensure that users/organizations sign and return Annex B - User Organizations Acknowledgement Form. By signing this annex the user/organization acknowledges that it understands and agrees to the terms and conditions contained in Annex C - User Organization Agreement to Enter City of Ottawa Community Facilities Terms and Conditions and Code of Conduct. The Access Management Agreement does not define users/organizations nor does it distinguish between the requirements for users that rent the facility for an extended period of time and those who rent the facility on a one-time basis. In the absence of a definition it could be interpreted that it applies to all users/organizations.

While the Access Management Agreement does not distinguish between the requirements for users who rent the facility for an extended period of time and those who rent the facility on a one-time basis, the *Community Building Guidelines* issued by the City of Ottawa in May 2006 state that the Access Management Agreement is only applicable to those who book the building for an extended period of time. SCA followed the guidance provided in the *Community Building Guidelines* and only required Annex B to be signed and returned from those who rented the building for an extended period of time. In 2007, the Girl Guides of Canada was the only organization this applied to and therefore the other users were not required to sign and return Annex B. Article 3.f of the Access Management Agreement requires that SCA provide the Director of Community Services (a position which no longer exists at the City), or an assigned delegate, with the original signed copy of Annex B. SCA did not provide the copy of Annex B for the Girls Guides of Canada.

Article 3.g of the Access Management Agreement also requires that SCA provide the users/organizations with a copy of Annex G - Consent, Assumption of Risks & Indemnity Form. This form includes a Release of Liability, Waiver of Claims and Assumption of Risks and Indemnity Agreement by which the participant in the

program or activity agrees to indemnify and hold harmless the user/organization and the City of Ottawa from certain claims and losses that may be caused by the participant's negligence or action. In a document entitled Key Agreement - Key Points - Access Management For Block Users Only that provides guidance on the implementation of the Access Management Agreement and which came into effect in January 1, 2004, it is stated that Annex G is recommended only and that it is not mandatory to have participants of a user group sign the form. Based on this guidance, SCA decided not to use Annex G. While Annex G has not been used, it should be noted that the Access Management Agreement between the City and any association acting as the Access Management Holder includes a clause (clause #11) to indemnify and save harmless the City from any and all claims, demands, causes of action, loss, costs or damages that the City may suffer. As such, the City's risk is mitigated.

The Girl Guides of Canada rented the building on Mondays and Thursdays from 5:30 to 8:00 p.m. during the period September 1, 2006 to May 31, 2007. A Building /Facility Request Form was used to book the building. The form was signed by a representative of the Girl Guides but was not signed by the permit holder. The form used is a two-page document with terms and conditions printed on the second page. Each term and condition is to be initialled by the building user. None of the terms and conditions were signed by the representative of the Girl Guides.

Recommendation 1

The City ensure that all Access Management Agreements are signed by a City of Ottawa representative.

Management Response

Management agrees with this recommendation.

All Access Management Agreements will be reviewed for compliance by September 30, 2009.

Recommendation 2

That City and the Southpointe Community Association enter into a new Access Management Agreement to cover the current period.

Management Response

Management agrees with this recommendation.

A new agreement between the SCA and the City was executed on September 9, 2008. The Access Management Agreement was revised in 2004 and it now contains a clause specifying that agreements are automatically renewed until such time as the parties agree to revoke or amend the agreement.

Recommendation 3

That the new Access Management Agreement clearly define the users/organizations and that any related guidelines be amended to conform to the terms and conditions of the Agreement.

Management Response

Management agrees with this recommendation.

The Access Management Agreement template will be revised to comply with this recommendation by December 31, 2009.

Recommendation 4

That the City require for all users/organizations to provide the original signed copy of Annex B of the Access Management Agreement (the response to this recommendation should be developed in concert with the City Solicitor).

Management Response

Management agrees with this recommendation.

Clause 3e of the Agreement requires that user groups sign and return Annex B to the Building Manager, and Clause 3f requires that the Building Manager provide the Department with original signed copies of Annex B annually. Management intends to revise the wording of Clauses 3e and 3f, by December 31, 2009, to more clearly identify responsibilities, and to modify Clause 3f to require the Building Manager to provide the City with Annex Bs on a quarterly basis. The City Solicitor has been consulted and concurs with this direction.

Recommendation 5

That the Building Manager ensure all Building Request Forms are signed by the Building Manager and that the Building User initial each term and condition.

Management Response

Management agrees with this recommendation.

The Building Managers will be instructed to seek initials for each term and condition on existing form. As part of a review and revision of all Access Management Agreement forms, Management will seek the City Solicitor's input on the adequacy of a statement on the permit that would alleviate the need to have each term and condition initialed. Current permit includes "The undersigned agrees to abide by the terms and conditions stated on the back of this form". The current permit includes a space for initialing next to each term and condition that could lead to the perception that the absence of initials indicates disagreement.

7.1.2 Securing the Facility

Article 6.c of the Access Management Agreement requires SCA to provide the Director of Community Services or an assigned delegate responsible for the facility with a completed copy of Annex J - Key Control Information Sheet. SCA did not provide a copy of Annex J for the Girl Guides.

Article 6.h of the Access Management Agreement requires SCA to visit and check the facility to ensure that users/organizations have secured the facility. The acting Building Manager advised that these visits and checks are conducted regularly however there was no evidence of this, as the Facility Inspection Form Pre & Post Event form is not used to document the visits and checks of the facility.

Recommendation 6

That the Building Manager provide a copy of Annex J for all user/organizations to the appropriate City of Ottawa officials.

Management Response

Management agrees with this recommendation.

Management has contacted the Southpointe Community Association and they have agreed to provide the Department with signed copies of Annex J for all their users by September 30, 2009.

Recommendation 7

That the Building Manager document the pre- and post-event inspections of the facility.

Management Response

Management agrees with the intent of this recommendation.

Management supports pre and post event inspections and documentation for new, unknown user groups and for high-risk events where damage and loss are more likely to occur. Building Managers will be instructed to document these pre and post event inspections in those instances where they are completed.

Management does not believe, however, that inspections for bookings by known groups with an established record of responsible use of facilities are warranted. There are very low incidents of damages and injuries during regular user group use of City and Partner facilities. Pre and post facility inspections for use by all groups would be very onerous on a volunteer Building Manager group and would establish a level of service that exceeds what is in place at City operated facilities.

7.2 Governance Practices

Since the creation of the Office of the Auditor General, a number governance audits have been conducted using a standard set of audit criteria developed by the OAG. These criteria were used as part of this audit to assess the governance practices at SCA recognizing the size and volunteer nature of the organization.

It is acknowledged that many grant recipient organizations are relatively small and in many cases volunteer based. However there are some fundamental governance principles that the City needs to have in place to ensure adequate management and oversight of City funding. The intention is not to overburden recipients with bureaucracy and inflexible rules but rather to put in place basic governance practices to protect the interests of both the City and the recipient organization.

The table below summarizes the results of this assessment followed by more specific observations and recommendations.

AUDIT CRITERIA	Y/N	Notes
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? 	Y	
<ul style="list-style-type: none"> Do members of the Board fully understand their responsibilities? 	Y	
<ul style="list-style-type: none"> Has the Board established clear policies and procedures to guide it in carrying out its role? 	N	No policies but guided by SCA Constitution
<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? 	Y	
<ul style="list-style-type: none"> Does the Board and the sub-committees have clearly defined terms of reference? 	Y	No sub-committees or Board terms of reference
<ul style="list-style-type: none"> Does the Board have appropriate communications with Council? 	Y	
<ul style="list-style-type: none"> Does the Board exercise a sufficiently independent voice that is not unduly influenced by senior management? 	Y	Mgr is on Exec. Cttee

AUDIT CRITERIA	Y/N	Notes
<ul style="list-style-type: none"> Does the Board operate in an atmosphere of openness and trust? 	Y	
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? 	Y	Constitution requires 2 VPs, currently only 1 in place
<ul style="list-style-type: none"> Have the committees that have been established to assist the Board sufficient to ensure adequate and effective governance? 	N	No committees
<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? 	Y	
<ul style="list-style-type: none"> Does the Board have a search or nominating committee that is responsible for selecting Board members? 	N	
<ul style="list-style-type: none"> Is the orientation for Board members adequate? 	Y	
<ul style="list-style-type: none"> Is the ongoing training for Board members adequate? 	Y	
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? 	N	
<ul style="list-style-type: none"> Is there a process for and annual self-evaluation of the Board's and/or individual member performance? 	N	
<ul style="list-style-type: none"> Is there a regular review undertaken regarding the quality of the agenda and minutes? 	N	
<ul style="list-style-type: none"> Does the Board periodically assess its approach on how it reviews financial and budget information? 	N	No overall budget, done by event
<ul style="list-style-type: none"> Are there processes are in place for external audit or review? 	N/A	

AUDIT CRITERIA	Y/N	Notes
4. Is there appropriate conduct of Board meetings and recording information, including:		No in camera meeting policy
<ul style="list-style-type: none"> Do meeting agendas focus on strategic, substantive issues? 	Y	
<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? 	Y	
<ul style="list-style-type: none"> Is the quality and timeliness of information provided to Board members adequate? 	Y	
<ul style="list-style-type: none"> Are minutes of the previous meeting approved at the following meeting? 	Y	
<ul style="list-style-type: none"> Is responsibility for any required action clearly indicated in the minutes? 	Y	
<ul style="list-style-type: none"> Are the Board meetings well attended by Board members? 	Y	
<ul style="list-style-type: none"> Is there a high level of member participation at Board meetings? 	Y	
<ul style="list-style-type: none"> Is there an adequate process for recording, tracking, and following up on an interest? 	N/A	No carry-over issues
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? 	Y	
<ul style="list-style-type: none"> Does the Board have an adequate role in strategic planning? 	Y	
<ul style="list-style-type: none"> Does the Board have an adequate role in risk management? 	Y	
<ul style="list-style-type: none"> Does the Board play a role in setting “tone at the top”? 	Y	

AUDIT CRITERIA	Y/N	Notes
<ul style="list-style-type: none"> • Does the Board have an adequate role in performance measurement? 	N	No performance measurement
<ul style="list-style-type: none"> • Is there an effective process for evaluating the performance of the CEO/President/Director/Manager? 	N	
<ul style="list-style-type: none"> • Is there an effective process for succession planning for senior staff? 	N	

It should be noted that on June 15, 2009, the Auditor General requested a management response from the SCA for those recommendations directed at the Association. On July 27, 2009 a second letter was sent to the SCA indicating that, since no response was received, the OAG would assume agreement with the facts of the report as well as the recommendations.

7.2.1 Responsibilities, Roles and Duties of Board Members

The responsibilities, roles and duties of Executive Committee Members have been defined in the Constitution of the Southpointe Community Association. Copies of the constitution are made available to Executive Committee Members. Specific policies and procedures have not been developed to assist the Executive Committee in carrying out its role, however, the Executive Committee relies on the guidance provided in the constitution.

There is a transparent and clear structure of responsibility that differentiates between what the Executive Committee Members can do and what the Building Manager can do. The Constitution of the Southpointe Community Association outlines the duties and responsibilities of the Executive Committee Members. The role and responsibilities of the Building Manager are taken from the Access Management Agreement.

7.2.2 Board Membership, Composition and Selection

The qualifications of the Executive Committee Members are articulated in the Constitution of the SCA. The constitution requires that the Executive Committee be comprised of a President, Past President, Two Vice-Presidents, Treasurer, Secretary and Directors as needed (to a maximum of five). At present, there is only one Vice-President in place. The Past President was a member but has since moved away.

There are currently no sub-committees of the Executive Committee. There is no search or nomination committee that is responsible for selecting members of the Executive

Committee. The members of the Executive Committee are elected from nominations from the floor at the Annual General Meeting.

Recommendation 8

That an additional Vice-President be appointed to the Executive Committee.

Recommendation 9

That the Executive Committee be charged with the responsibility for search and nomination of Board members whenever vacancies arise.

7.2.3 Board Evaluation Process

The Executive Committee does not establish annual objectives or performance indicators. The Committee follows the mission provided in the constitution to foster community spirit within the community.

The Executive Committee has no process in place to conduct annual self-evaluations of its performance or of individual member performance. Annual evaluations would allow the Executive Committee to determine whether:

- the main responsibilities outlined in the constitution are being performed;
- the meeting agendas and discussion focus on strategic, substantive issues;
- there is appropriate follow-up action taken for items discussed in the meetings;
- adequate and timely information is being received; and,
- the members work together effectively and the communication and discussion is appropriate.

Recommendation 10

That the Executive Committee establish annual objectives and performance indicators so that it can measure its success in achieving its objectives.

Recommendation 11

That the Executive Committee establish an annual self-evaluation of its performance and of individual member performance.

7.2.4 Board Meetings and Information

The minutes of the Executive Committee meetings are not approved at the following meeting. In addition, as a best practice, the Executive Committee should establish an in camera policy similar to that of City Council to clearly articulate the conditions under which the Board may meet without members of the public present.

Recommendation 12

That the Executive Committee approve, at each meeting, the minutes of the previous Executive Committee meeting.

Recommendation 13

That the Executive Committee establish an in camera meeting policy similar to that of Ottawa City Council.

7.2.5 Succession Planning

The Executive Committee does not have an effective succession plan for the Building Manager. When the Building Manager recently resigned from her responsibilities, the President of the Southpointe Community Association assumed these responsibilities.

Recommendation 14

That the Executive Committee ensure there is an individual who is qualified to assume the responsibilities of Building Manager, in the event the position becomes vacant.

8 Conclusion

Although the City and SCA continue to work under the Access Management Agreement, no signed agreement has been in place since July 2005. A new agreement should be entered into each year or the new agreement should make provisions for it to be applied to periods subsequent to the one covered in the new agreement. The audit has revealed some areas where there is a lack of compliance with Access Management Agreement. In addition, some of the Governance Audit Criteria have not been met. These areas should be examined bearing in mind the small size and limited resources of the organization and the desire to avoid overburdening it with bureaucracy and inflexible rules.

9 Acknowledgement

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management of the Southpointe Community Association.