

City of Mississauga Internal Audit Report

COMMUNITY SERVICES DEPARTMENT
RECREATION DIVISION
COMMUNITY DEVELOPMENT SECTION
COMMUNITY GROUP REGISTRY PROGRAM AUDIT

February 15, 2022

City Manager's Department
Internal Audit Division

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**COMMUNITY SERVICES DEPARTMENT
RECREATION DIVISION
COMMUNITY DEVELOPMENT SECTION
COMMUNITY GROUP REGISTRY PROGRAM AUDIT**

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KPMG LLP, Chartered Accountants, External Auditor

**Community Services Department
Recreation Division
Community Development Section
Community Group Registry Program Audit**

BACKGROUND

The Community Group Registry Program's (CGRP) main objective is to develop a mutually beneficial relationship between the City and various not-for-profit, volunteer-based community groups, clubs and organizations based in Mississauga. These groups enhance and supplement the City's offering of sports, recreation, cultural, arts, nature, and other programs to the residents of Mississauga.

By supporting these varied groups through the Community Group Registry Program, the City reduces the potential administrative and financial burden of having to offer comparable community group programs directly. Furthermore, support of these groups also helps to cultivate a robust community group network that targets the diversity of needs and interests of residents.

The Community Group Registry Program evolved from the City's Community Group Support Program (CGSP), which began when the original policy was developed in 2011. In November 2015, a CGSP Corporate Report established the current criteria for acceptance and renewal of community groups; these criteria were updated and included in Corporate Policy 08-01-01 - Community Group Registry Program, implemented in 2018.

The registry is administered by the Community and Neighbourhood Development Unit within the Recreation Division, which coordinates with other divisions that support the community groups, such as Parks, Forestry and Environment, and Culture.

Support to the groups may include several potential benefits, such as discounts for renting City facilities, including free bookings for executive and AGM meetings, access to certain grants and funding, eligibility for the City's affiliate insurance program, ability to place portable signage on City roads, direct support from the City's Staff Liaison, and others.

SCOPE

The audit examined the business objectives related to community groups' registration into the program, monitoring and maintenance of eligibility, transparency and awareness of requirements. This included a review of the following:

- The application and intake process for new community groups,
- Issues remediation and delineation of responsibilities with respect to complaints by group members and/or the public,
- Promotion, marketing and dissemination of information about benefits of the Community Group Registry Program to community groups and to the public,
- Management of issues of non-compliance with the program requirements by community groups.

Not in scope

The management of each potential benefit program that groups can access was not included in the scope and may be part of specific audits in the future. The benefits are managed through several divisions and units and are available once the community groups are approved within the registry and fulfill their specific requirements.

OBJECTIVES

The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing. The purpose of the audit was to assess risks, controls and processes that relate to the following business objectives:

- A) Community Group Registry Program awareness is robust and community groups and the public have access to information about the program attributes and benefits;
- B) The relationships established through the Community Group Registry Program are of demonstrable value to the City and the citizens of Mississauga;
- C) Community groups remain in compliance with the requirements of the program;
- D) The groups within the registry are aware of their responsibilities related to pertinent City By-laws and policies, including those related to human rights, health and safety, etc.

SUMMARY OF OBSERVATIONS

The Community Group Registry Program is mutually beneficial to the City, the registered community groups and the residents of Mississauga. This is the first audit of the program and we found that staff have worked diligently to ensure the program's success while they implemented the policy requirements, transitioned to an unanticipated new computer system and ensured business continuity during the COVID-19 pandemic. The Community Development Section has done a good job in categorizing the different community groups that participate in the program. The section has been able to effectively manage the balance between the City program requirements as per the policy, and the need for independence from the respective groups' individual administration and activities.

There were some areas that could be further enhanced, mostly in terms of enhancing requirements for continued membership, management of certain risks and recordkeeping. The main observations and recommendations are summarized below. Appendix A outlines the detailed recommendations and the action plans agreed to by management.

Further streamline and enforce requirements for membership in the Community Groups Registry Program

While the policy is comprehensive in describing the eligibility criteria, in practice there has been some flexibility in its application, initially for an approved transition period and then as result of

hardships faced by groups due to the pandemic. The policy, however, does not specify which items are critical and broadly required and which items may accept some flexibility, leaving it to each reviewer to adopt their own interpretation. This may eventually result in approval of groups that do not fully meet the basic requirements.

The audit revealed some inconsistencies in the application of requirements such as legal status, residency, and presentation of audited financial statements. Management advised that those inconsistencies were primarily a result of the transition to the new operating system.

Provide clear timeframes for “Support with Conditions” status compliance for critical non-compliance issues

The “Support with Conditions” status is applied to groups that are identified as out of compliance with the requirements of the program, but want to resolve them and continue to be in the program. The group may be subject to quarterly reviews and may remain on “Support with Conditions” status for up to two years. However, there isn’t a more formal analysis to determine the criticality of each non-compliance and, accordingly, establish specific resolution timeframes based on that assessment, which may expose the City to reputational or legal risks if critical issues are not remediated in an expedited manner.

Ensure groups attest to adherence to the Ontario Human Rights Code

The Community Group Registry Program Policy states that registered groups must abide by the Ontario Human Rights Code; however, this requirement is not explicitly acknowledged and signed off by group representatives upon acceptance to the program. While the groups agree to follow the Policy and, therefore, indirectly agree to follow the Code, not making it explicit in the Terms and Conditions may reduce the emphasis on this requirement and reduce focus and attention to the Code’s warranties.

Given the Ontario Human Rights Code’s relevance to ensure adequate, non-discriminatory service offerings to the City’s residents and the reputational risk to the City should a group not adhere to it, the absence of an attestation may result in the community group’s leadership and members not placing enough focus or not addressing and reporting violations of the Code in a timely manner.

Reinforce processes to mitigate reputational risks

The program, by its nature, brings inherent reputational risks to the City, which arise mainly from the potential perception by residents that the registered group activities are endorsed or managed by the City. Examples of such risks include:

- The City of Mississauga’s Community Group logo may be used without a clear disclaimer on community group websites,
- Group webpages and social media presence might contain misleading information as to the City’s responsibilities or relative to City endorsement,
- There is no formal confirmation that the individual booking rentals on behalf of the group is actually a current community group member or leader.

These risks are inherent and cannot be completely mitigated, but periodic reviews of risks, issues and trends may allow the City to develop effective responses in a timely manner. In addition, the program does not have a monitoring process and a clear communication process to quickly gather and publish relevant information to counter potential negative reputational effects should any of the above situations arise.

Ensure consistent record-keeping within community group registry files

The Community Group Registry Program Policy does not stipulate which records should be kept on file, and how long those respective records should be kept. Recently, the situation was aggravated by the transition from a manual process to the automated systems of record, creating an increased risk that up-to-date critical file documentation may be absent due to a lack of specific guidance on recordkeeping within the policy or in the program's procedures.

Establish reporting of performance and value delivery to residents, based on surveys and metrics

The Community Group Registry Program Policy states that the City, “strives to develop mutually beneficial relationships that support community involvement by groups who provide services to keep Mississauga residents active, healthy and engaged in their communities.”

While these goals are reflected in the eligibility criteria, a monitoring process was not established to evaluate the actual value provided to residents and to assess if the services provided by the groups are effective in helping keep residents active, healthy and engaged.

Management advised us that they sought community feedback through information sessions in 2016, and this was used as input for the new policy. However, a process to monitor this value on an ongoing basis (through active feedback, monitoring of complaints and issues and measurement of performance and quality indicators) has not been established. Without a formal monitoring and reporting process, the real value of the program for residents is difficult to measure, and any potential needs for improvement may go unnoticed or, at a minimum, take longer to be identified.

CONCLUSION

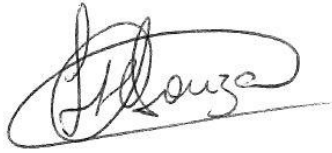
Based on the above observations, the audit concluded that the control environment for the Community Group Registry Program is generally effective, with some specific areas for improvement, such as clarifying and reinforcing eligibility requirements, establishing management reporting, and mitigation of reputational risks. It is worth noting that dedicated staff are administering operational activities diligently, and that management had started analyzing and searching for solutions to some of the challenges reported herein prior to the audit's commencement.

A total of eight (8) recommendations resulted from this audit. Details of the audit recommendations and management comments may be found in Appendix A, with classifications as follows:

Classification	High	Medium	Total
Efficiency and Effectiveness	0	2	2
Compliance with and Clarification of Corporate Requirements	0	3	3
Operational Control and Financial Reporting	0	1	1
Safeguarding of Assets and Information	0	2	2
Total	0	8	8

Management has agreed to all the recommendations and developed plans to address them. Seven (7) recommendations will be completed in 2022, and one (1) will be completed in 2023.

Internal Audit would like to thank Recreation Division management and employees for their time, support and assistance during this audit.



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Rec	Recommendation	Priority (H/M/L)	Comments/Status	Classification
1	That the Community Group Registry Program, with support from its key stakeholders, including Legal Services, establish further guidance (either in the policy or as an internal document) streamlining its eligibility criteria, with an aim to clearly determine which is critical.	M	Where there are departures from policy, staff will ensure appropriate and detailed rationale comments are filed to support the decision-making. The existing Standard Operating Procedure – Administration of the Community Group Registry Program – will be updated to include further clarity in establishing which items for submission are critical. To be completed by September 30, 2022	Compliance with and Clarification of Corporate Requirements
2	That the Community Group Registry Program provide clear guidance with different time frames depending on the criticality of non-compliance with the “Support with Conditions” status. For critical non-compliance issues, to limit the risk of litigation or reputational risk, required documentation should be provided within a shorter time frame for the identified non-compliance. For operational non-compliance, such as having inadequate membership numbers, a longer period for return to compliance would be acceptable. Given the current COVID-19 pandemic, such a change should be instituted once the pandemic has been brought under control and community groups are largely back to regular operations.	M	Community Development team to update current SOP ADM-048 (Administration of the Community Group Registry Program) to further detail Support with Conditions status and the protocols to follow dependent upon (1) outstanding requirement(s), (2) capacity of group, (3) group’s request. Community Development team to continue with current controls in place to monitor and support groups under Support with Conditions status as per detailed plan approved by Directors on CORA. To be completed by September 30, 2022	Efficiency and Effectiveness
3	That a statement about the requirement of adhering to the Ontario Human Rights Code, as well as the requirement to immediately report observed violations of the Code, be specifically signed off and acknowledged by the community groups as a requirement for entrance to the program.	M	Community Development Team to add a required field in the CORA Application Form where new applicants and annual renewals shall explicitly acknowledge the requirement to adhere to the OHRC. Continue ongoing coordination of communication, resources and learning	Compliance with and Clarification of Corporate Requirements

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			<p>opportunities for Registered Groups, and highlight this responsibility and build capacity of groups for practice aligned with the OHRC.</p> <p>To be completed by: March 30, 2022 for CORA Update</p> <p>December 31, 2022 for communication, resources and learning opportunities.</p>	
4	That the Community Group Registry Program work with Strategic Communications and Initiatives, as well as with Legal Services' Municipal Law Section, to develop a process to mitigate reputational risks, taking into account scenarios whereby community groups have acted in a way that is inconsistent with the aims and strategy of the program.	M	<p>Community Development team to update current SOP ADM-048 (Administration of the Community Group Registry Program) to include clear steps/messages for communication and escalation (e.g., what types of incidents warrant redirection to groups for resolution vs. action/intervention by the City).</p> <p>Develop a centralized incident log to track incidents/complaints received and action taken (including applicable correspondence) – clarify that complaints could be received by a number of sources (e.g. councillors, staff, public).</p> <p>To be completed by September 30, 2022</p>	Safeguarding of Assets and Information
5	That the Manager, Community & Neighbourhood Development discuss the risks associated with community groups' use of the City of Mississauga's Community Group logo with Legal Services' Municipal Law Section to determine if an additional disclaimer should be added to the logo stating the limitation of the relationship between the community group and the City. Alternately, consideration should be given to disallowing the use of the logo by	M	<p>Strategic Communications has developed a new Third Party Endorsement Procedure/Brand Licensing Agreement (updated in November 2021). Staff will continue to work with this team to incorporate the procedure into the CGRP, e.g. consider revision to the benefits so that registered groups will be eligible to enter into a brand licensing agreement vs. current</p>	Safeguarding of Assets and Information

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	community groups if Legal deems the litigation risk due to current use of the logo to be unacceptably high for the City.		<p>process to grant use of “Registered Group Mark” as groups are approved.</p> <p>Short term – incorporate incidents/complaints into centralized incident log as appropriate.</p> <p>To be completed by September 30, 2022</p>	
6	That the Community Group Registry Program establish guidance for record-keeping, and consider integrating this information into any future process documentation updates.	M	<p>While there exists an initial transitional challenge in ensuring all required information is received, all new applicants will be housed in CORA, which will simplify the process for both staff and applicants on a go-forward basis. Staff will continue to use CORA (SurveyMonkey App) as the central filing system for all registered group applications and reviews from 2022 onwards.</p> <p>Staff will ensure alignment of SharePoint/CORA with Corporate Records Procedure and update current SOP ADM-048 (Administration of the Community Group Registry Program) accordingly.</p> <p>To be completed by September 30, 2022</p>	Efficiency and Effectiveness
7	That the Community Group Development Coordinator review active files on a go-forward basis based on the new guidance, obtain any missing documentation, and train staff to keep the files complete and updated.	M	<p>Develop a control in CORA to ensure all required documentation is provided before a group can submit their application/renewal (e.g., alert that document is required before submitting).</p> <p>Update current SOP ADM-048 (Administration of the Community Group Registry Program) to add clear steps to address inaccurate or missing information</p>	Compliance with and Clarification of Corporate Requirements

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			provided by groups, including using Developing Groups/Exceptions/Support with Conditions as outlined in the policy for groups that cannot produce accurate/complete files at the time of application/annual renewal. To be completed by September 30, 2022	
8	That the Community Group Registry Program enhance management reporting of the program goals and activities in accordance with business unit needs. Potential metrics could include community group attrition rates, retention rates, and use of City resources and facilities by community group members. Qualitative feedback may be obtained through either surveys of community group directors or through periodic reporting by community groups facilitated by Staff Liaisons and/or Category Reviewers.	M	Assess needs from divisions, LT and Council to establish a reporting framework for community groups, including submission timelines and frequency, to be incorporated into SOP ADM-048 (Administration of the Community Group Registry Program). To be completed by March 31, 2023	Operational Control and Financial Reporting