

June 7<sup>th</sup> 2007

To: Mayor Wilfried Vicktor & Councillors

From: George B. Cuff, CMC

**Re: The Governance Audit/Seminar**

As promised, I wanted to submit to you a brief summary of what I presented during my second seminar session with you. I will try to recapture the flavour of what was said and as well, provide you with my recommendations so that you as a Council can decide what action to take.

**Some General Observations**

- Council members reasonably courteous to each other
- Members generally prepared for Council meetings
- This is a challenged and troubled organization
- Rapid turnover of senior staff breeds uncertainty
- Council's leadership lacks certainty; broad vision not evident
- Role clarity is missing
- Basic policies/protocols required
- Respect not in evidence at all meetings
- Personal relationships allowed to cloud proper judgment
- Undermining of CAO tolerated; CAO has to be respected as a policy advisor; has to be able to act in a proactive manner
- Considerable expectations by Councillors in terms of detail; need to develop understanding of governance questions
- Key processes allowed to drift e.g. budget
- No real sense that members prepared to seek compromise
- One major step forward for this body would be the capacity (and desire) to show respect

**Observations: Role Clarity**

- Roles and authority not clearly defined or understood; the orientation process needs to improve

- What Councillors should expect of the administration not at all clear; appears to rely on individual judgment or experience
- Role and powers of the Mayor needs to be clarified

#### **Observations: Council Development**

- Need planned orientation program; what has been done to date is insufficient
- Local orientation should precede UBCM sessions
- Need for session on governance, and decision-making; ongoing training should be provided

#### **Observations: Administrative Leadership**

- Councillors express major concerns vis-à-vis the senior administration
  - e.g. responsiveness
  - in-fighting
  - respect for each other
  - understanding of good management principles

*"exempted"*

- Report writing, planning major projects, disciplining staff, dealing with the union all matters that are questioned
- Senior management expected to undertake significant management requirements such as budget development together under guidance of the CAO
- Council expects a budget plan and timing which is committed to by CAO on behalf of all management
- Department heads are expected to see their own responsibilities as their first priorities; not assisting in the work assigned to others

#### **Our Findings: Governance**

- Council's decision-making processes not clearly outlined
- Role of a Committee of the Whole as a body of reflection not understood
- In camera provisions need to be understood and followed

### **The Mayor**

- Role needs to be seen as distinct
- Must not allow himself to be drawn in to individual staff issues
- Should hold regularly scheduled meetings with the CAO
- Should involve other members of Council and the CAO at any key meetings; needs to have an agenda of key issues endorsed by Council
- His role to curb any dialogue that is not respectful; curb any personal animosity
- Discussion needs to be drawn to the issue at hand

### **Conduct of Meetings**

- Mayor should turn to the CAO as the only employee for his advice first on the issues
- Show respect in Chambers whether in camera or out; refer to each other by using titles, not first names; no tolerance for bullying style
- Management to sit at a side table; CAO determines which management personnel to attend; questions directed to the CAO; he will determine who should respond

### **Role of the CAO**

- Council's chief policy advisor
- All Council agenda issues accompanied by a report signed off by the CAO
- CAO expected to always and only provide best possible advice
- CAO expected to treat all Council as one entity
- CAO to show respect publicly & privately
- Do not be taken into the confidence of one or a few members
- Councillors respect his independence
- Commitment to report comprehensively; governance implications outlined
- Commitment to act immediately on Council's directives unless legal counsel points to matters contrary to law
- CAO to ensure that he has authority to act by bylaw or legislation or policy
- Issues like compensation should be referred to external sources for advice

- Need to regularly advise Council of successes

### **CAO Performance**

- Council-CAO relationship has to be one of trust and respect
- Review should be conducted annually
- Should involve all members of Council
- Format should be reviewed; need to get at the right issues
- Council to consider need for an external facilitator

### **Protocols**

- CAO will be advised of any requests by Council for information
- Correspondence directed to Mayor and Council will be signed by the Mayor
- Council hires and terminates the CAO; Council defers to the CAO those responsibilities vis-à-vis other management employees
- The CAO will provide Council with policies dealing with such matters as: performance reviews; compensation
- Disparaging remarks with regard to Council or administration will not be tolerated at any meeting of Council or anywhere on public premises
- Any request for information from the administration goes direct to the CAO; his response will be concurrently circulated to all members
- Management is not expected to know the answers to all questions; but expected to review and report back to Council at the first opportunity
- Any contact between Council & admin that appears to be other than respectful will be reported to the Mayor
- Current approved policies will always be followed until changes approved by Council
- Agendas and minutes at all meetings
- All reports to Council will include a recommendation by the relevant department head and counter-signed by the CAO
- Any request for information from the administration goes direct to the CAO; his response will be concurrently circulated to all members

- Management is not expected to know the answers to all questions; but expected to review and report back to Council at the first opportunity
- Management through the CAO will endeavour to keep Council informed on all key issues facing the community
- Issues for which management does not have clear policy guidance will be prioritized for policy development
- Any blame for the mistakes by administration will be accepted by the relevant department head and CAO
- Minutes will be taken at Council meetings by the recording secretary and provided to Council as soon after a meeting is conducted as possible (e.g. 48 hours)
- Senior staff who commit to achieving accreditation for their role within a certain timeframe will be expected to comply or lose their position

### **Summary**

1. The District of Hope needs to recognize that the issues discussed herein are the responsibility of both Council and management.
2. The current situation is unlikely to change without deliberate steps being taken by Council and the CAO. This should be recognized as the responsibility of each person in that both Council and the CAO have mandated responsibilities to discharge.
3. Council should consider the need for a follow-up process over the next 60 days; there is a multitude of steps that could follow and be of assistance. We are not convinced that all of the issues we heard discussed can be addressed in a satisfactory manner utilizing the current managerial practices and approach. (Council may need to consider a full Corporate Review or ongoing external assistance if the present issues leading to its dissatisfaction continue to exist).
4. We believe that the Mayor needs to ensure that his approach to the role of Mayor is clear, based on the legislation and relevant literature, and designed to ensure that Council is focused on its priorities while

maintaining an ongoing relationship to the CAO based on constructive input.

6. Council members need to refrain from any personal attacks on members of the administration; any such discussion should be held in camera. Council needs to agree to refrain from persistent micro-management of its employees.
7. Council members ought to refrain from any friendships with any members of the administration in recognition of the difficulties this poses.
8. New protocols as outlined should be drafted.
9. Council needs to hold a comprehensive discussion with the Auditor to discuss their assessment of your financial practices and staff.
10. Council needs to be aware of the impact of a poor track record as an employer; the "tone at the top" is established by each of you. Whether or not it is constructive or destructive is your personal choice.
11. Someone needs to be identified as responsible for HR functions; could be considered as part of the new department head's role (Corporate Services).
12. Council's goals and priorities need to be actioned by this administration; report needs to specify dates and who is the person primarily responsible.
13. Council needs to ensure that a closing date is established on all employment contracts.
14. Council's governance processes need to be thought through; role of the committee of the whole; role of any standing committees.
15. The focus of this Council needs to be on the community; how are you connected?

#### **What Needs to be Fixed**

- Council needs to lead
- Council needs to understand what works and what doesn't
- Council needs to build a team with its management
- Council needs a CAO and management team it trusts

- Council needs to quit any friendships with staff
- Council needs to quit accepting "less than" e.g. the budget process
- Council's vision needs to include community's participation/ideas.

### **Recommendations**

1. We recommend that the Council accept this summary of the Governance Audit/Seminar "for information".
2. We recommend that a comprehensive statement of Council roles and responsibilities be developed and recommended forward to Council for its approval.
3. We recommend that a comprehensive statement of the roles and responsibilities of the CAO be developed and recommended forward to Council for its approval.
4. We recommend that the Council seek to continue its understanding of good governance principles and practices; that it plan for a repeat session on governance later this year (2007) or early next; and that it commit to reviewing its decision-making processes and approach by September 30<sup>th</sup> 2007.
5. We recommend that any undermining of CAO by Councillors or administration not be tolerated by Council. (In order to be effective the CAO has to be respected as Council's chief policy advisor.
6. We recommend that Council members stick to the governance and policy aspects of issues and refrain from any involvement in detailed operational matters. This will require the CAO to ensure that each Council issue is presented in such a way that it outlines the policy governance aspects separate from any reference to administration's responsibilities. (We have attached a "Request for Decision" format that should be used from this date forward on all recommendations to Council).

7. We recommend that the Council establish an approach to budgeting that includes a specific timeline that the administration is required to follow. (The CAO should present such a budget timeline to Council by September 30<sup>th</sup> 2007). This key process should not be allowed to drift.
8. We recommend that the Council members channel any requests for information through the CAO or the department heads. Such a protocol is helpful in ensuring that all such requests are made known to management and are being responded to within current policy.
9. We recommend that the Council by motion agree with the protocol that any reports authored by the administration in response to requests from individual members of Council be concurrently circulated to all members of the Council.
10. We recommend that Council refrain from micro-managing its employees and ensure that the CAO is made aware of any concerns that Council has vis-à-vis the employees of the District. Such a discussion should be held by Council during an in camera session(s) with its CAO.
11. We recommend that Council members agree to treat each other with respect and refrain from any personal attacks. The Mayor needs to ensure that all remarks between members of Council are respectful.
12. We recommend that members of Council respect the separation that ought to exist between Council members and administration and refrain from developing friendships with any member of staff.
13. We recommend that the CAO establish with the relevant staff the deadline by which any required accreditation relative to their current position is completed and that such a deadline be mutually committed to with ongoing reports on progress filed with the CAO.
14. We recommend that new protocols should be drafted for the following matters:
  - a. An orientation process and program will be developed for implementation after the next municipal election



- b. The Mayor and CAO will meet on a regular basis (preferably once weekly)
- c. The management group will sit at a side table adjacent to the Council table at all regular meetings of Council
- d. Council will conduct a performance review of the CAO on at least an annual basis according to a Council-approved format; an external facilitator will be engaged for this process if necessary
- e. The CAO will be advised by his subordinates of any requests by Council for information
- f. Correspondence directed to "Mayor and Council" will be signed by the Mayor
- g. Council agrees to limit its involvement in personnel matters to its responsibility to hire/assess and/or terminate the CAO; Council defers to the CAO those responsibilities vis-à-vis other management employees
- h. The CAO will provide Council with policies dealing with such matters as: performance reviews; compensation
- i. Disparaging remarks with regard to Council or administration will not be tolerated at any meeting of Council or anywhere on public premises
- j. Management is not expected to know the answers to all questions but is expected to review and report back to Council at the first opportunity
- k. Any contact between Council & the administration that appears to be other than respectful will be reported by the CAO to the Mayor
- l. Current approved policies will always be followed until changes approved by Council
- m. All reports to Council will include a recommendation by the relevant department head and counter-signed by the CAO

- n. Any request for information from the administration goes direct to the CAO; his response will be concurrently circulated to all members
  - o. Management is not expected to know the answers to all questions; but expected to review and report back to Council at the first opportunity
  - p. Management through the CAO will endeavour to keep Council informed on all key issues facing the community
  - q. Issues for which management does not have clear policy guidance will be prioritized for policy development
  - r. Any blame for the mistakes by administration will be accepted by the relevant department head and CAO
  - s. Minutes will be taken at Council meetings by the recording secretary and provided to Council as soon after a meeting is conducted as possible (e.g. 48 hours)
15. We recommend that Council hold a comprehensive discussion with the Auditor to discuss their assessment of your financial practices and staff.
16. We recommend that one of the department heads should be designated responsibility for human resource functions.
17. We recommend that the results of any Council/administrative retreat and priority-setting exercise be fully documented and that the CAO be designated the key person responsible for identifying an action plan for Council's approval that ensures that these priorities of Council are put into action in a timely manner.
18. We recommend that the confidentiality of all in camera meetings be respected by all members.