

Corporate Governance

Led by: Deputy City Manager's Office

Description:

Corporate Governance works to build a resilient city and organization by executing on the strategic direction established by Council and Executive Leadership. We are responsible for developing Corporate strategic plans and negotiated agreements with other orders of government and partners; we provide the administrative policies, frameworks, rules and standards to direct service delivery; we minimize exposure to legal, financial, reputational and health and safety risks, all of which support the achievement of organizational objectives.

Customers:

Service owners expect to be provided with direction to ensure adherence to legislative standards and manage risk. Employees expect to receive guidance on how to do their job effectively while abiding by relevant policies and procedures. Citizens (indirect) expect that we will be transparent in decision-making and use resources efficiently.

What is delivered to customers:

We provide direction to services for implementation of corporate strategies and opportunities identified through partner relationships. We establish guidance systems in the form of policies, procedures and frameworks for service owners and employees to ensure awareness and adherence to external legislation and standards, and to minimize risk.

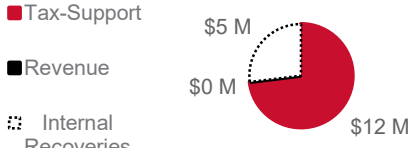

Partners:

Other orders of Government
External regulatory bodies
Executive Leadership (ALT)

Service need (value proposition):

We fulfill the need for coordinated strategic direction and service delivery guidelines for all services. We provide one voice for The City with partners and other orders of government, we check alignment between internal policies, and monitor legislative requirements to ensure appropriate policies and standards are in place. We communicate to staff how legislation and internal guidelines are in place to manage organizational risk, reduce impact of issues and minimize costs. These business units contribute to the service: City Clerks, Corporate Analytics and Innovation, Customer Service and Communications, Environmental and Safety Management, Facility Management, Fleet, Finance, Human Resources, Intergovernmental and Corporate Strategy, Information Technology, Law, Real Estate and Development Services, Resilience & Infrastructure, and Supply.

Current state service value

<p>81% Citizen satisfaction with administration</p> <p>67% Staff with ethical issue know resources</p>	<p>76% Citizen service delivery satisfaction</p>	<p>2018 Budgeted Gross Operating Expenditures Funding Breakdown (\$ Millions)*</p> <p>\$13.39 Annual operating cost per resident</p>  <p>* Gross operating budget and the service cost ratio may include internal recoveries that are also included in other services gross operating budget.</p>
<p>Connections to Citizen Priorities</p> 		<p>What the service includes (\$000s)</p> <p>Corporate Strategy - Resilience & Infrastructure - \$1,025 Calgary/Intergovernmental and Corporate Strategy - \$3,456 Administrative Governance - \$12,484</p> <p>Key Capital Investments</p>



What we've heard and service outlook

What we heard: Research & Engagement Results

Although Corporate Governance is primarily an internal facing service, it directly impacts the achievement of outcomes that citizens expect from municipal government. The policies, frameworks and procedures put in place by Corporate Governance guide and support service delivery standards, citizen engagement, decision-making, financial capacity, and risk management. Citizen expectations for a resilient city, satisfaction with service delivery, and confidence and trust in the organization are direct outcomes of good governance.

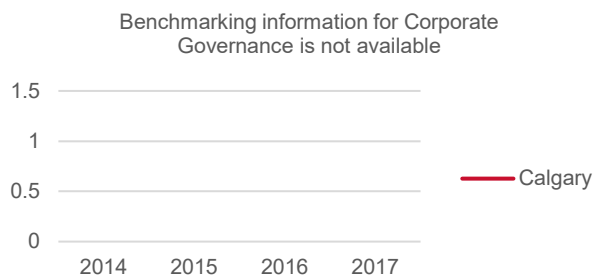
What Council has directed

Through the development and implementation of the resilience strategy, Corporate Governance supports all Council Directives. The current discovery areas of a) building resilience in the economy, b) infrastructure, c) environment and d) inclusive leadership align well with the Citizen priorities of: a) Prosperous Economy, b) Healthy and Green, c) Safe and Inspiring Neighborhoods and d) A Well-Run City. Through communications governance we speak with one voice to citizens. We will continue to have one voice representing City interests at provincial collaboration tables and with other orders of government. Through an integrated approach, we will create efficiencies in our governance frameworks and look for opportunities to reduce red tape, embrace innovation, and ensure the organization accepts appropriate levels of risk – all supporting A Well-Run City.

What are we watching?

Our primary focus is to ensure our governance framework addresses the many rapid changes and emerging issues such as increased legislative requirements, regional issues, scrutiny of self-regulated professions, changing economic conditions, climate change, aging infrastructure and technological changes, and new City Charter authorities. At the same time, we will be diligent in ensuring The City continues to adhere to corporate governance requirements while balancing the seemingly conflicting directions of a desire for more innovation, greater risk tolerance and removal of red tape, with the demand for greater transparency in decision-making, meaningful input from citizens through their channel of choice, increased complexity, and public and media scrutiny of decisions.

Benchmarking



Corporate Governance is a new service for the City of Calgary and not a service that has been identified in the service portfolios of other municipalities in Canada. As such we have been unable to identify benchmarks for this service. Governance, risk and compliance as a topic of study and continuing improvement for organizations is increasing in both the private sector and public sector. We will research and collaborate, where possible, to develop a benchmarking or performance measure approach that will allow us to compare our performance in the governance area to similar organizations.

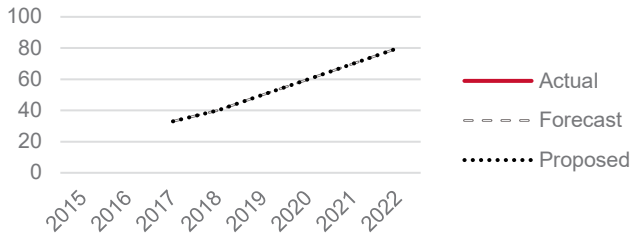
What matters to Calgarians

VALUE DIMENSION	DESCRIPTION
Resilient	Having the ability to withstand and recover from ongoing and unforeseen shocks and stressors.
Integrates	Ensuring comprehensive and aligned strategies, positions and policies across the organization.
Legislative Compliance	Providing the necessary guidance to enable adherence to all relevant legislative and regulatory requirements.
Transparency	Making full information available required for collaboration, cooperation and collective decision-making.
Reduces risk	Guidance to ensure the organization is compliant and limits exposure to financial, health and safety, reputational or other risks.

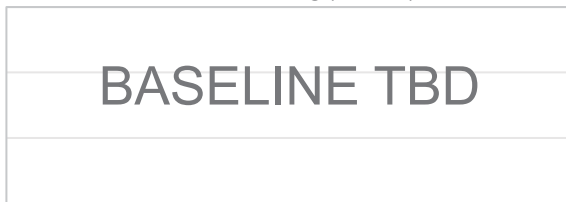


How is the Service performing? Where we are headed and where do we want to go?

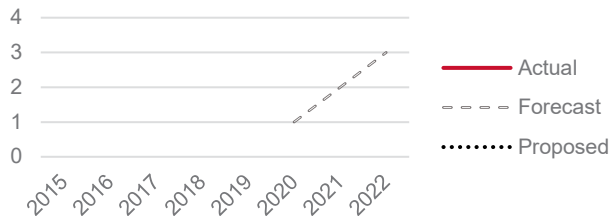
Percent of administrative policies reviewed and revised as per policy review due date (Percent)



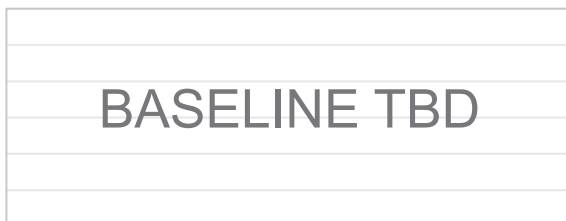
Percent of course participants who identified an increase in understanding of corporate governance related policy, procedure and process requirements as a result of training (Percent)



Number of corporate governance areas that have an increase in maturity (Count)



Number of engineering non-compliance occurrences (Count)

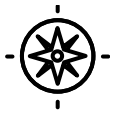


Story behind the curve

Corporate Governance was established as a separate service to capture benefits of using a collaborative approach across the organization. Over the next four years we will focus on establishing performance baselines to promote effective decision-making, reduce risk and prevent issues, and support business and operational planning.

"Percentage of administrative policies reviewed and revised as per policy review due date" is an indicator that the organization is taking the required action to ensure that administrative policies are relevant, current and reflect the environment the organization is working within. Given ever-changing external regulatory requirements and increasing governance responsibilities, we must ensure our framework remains current to appropriately manage risk.

We will be using this business cycle, and specifically 2019, to establish baselines in the areas of employee awareness, understanding, compliance and service delivery maturity. There is a causal effect between awareness and compliance. We will use the change in employee understanding performance measure as an indicator of the effectiveness of training programs. We will also gather information on the maturity of governance practices including the initiation of an inventory of governance requirements to allow us to capture metrics around compliance and non-compliance. To meet our increasing responsibilities and be diligent in maintaining employee and public safety, we are proposing an increase in resources focused on engineering governance in this business cycle. By including a measure on engineering non-compliance occurrences we can monitor our efforts and ensure we have the appropriate governance practices in place.



What do we propose to do?

What we propose to continue doing

STRATEGY
Develop and embed the resilience strategy within The City and the Calgary community.
Advance The City's interests with the federal and provincial governments and the Calgary Metropolitan Regional Board.
Optimize the administrative policy library through timely reviews for adherence to external requirements, consistency and effectiveness.
Improve adherence to internal policies, frameworks and procedures through education and training.

Why?

Our objective is to continue to focus on the resilience priority by identifying and supporting services and the community in implementing initiatives to improve their ability to withstand shocks and stressors. Continuing to represent our interests at regional and provincial collaboration tables and ensure our governance framework is effective, reflects risks and opportunities, and supports employee compliance are important to achieving organizational objectives.

What we propose to do less of

STRATEGY

Why?

What we propose to do more of or include as a new offering

STRATEGY
Initiate more cross-corporate collaborative approaches to Corporate Governance.
Strengthen governance practices within the organization.

Why?

To develop a more comprehensive, effective and efficient governance system we will be looking to work across service boundaries. Recent experiences using this approach has shown there are gains to be made in this area. We also want to focus on strengthening our governance practices especially in the area of engineering governance where we will be using the resources identified in this plan to address identified gaps in the current distributed engineering governance model.



What Operating Budget do we need to achieve these results and strategies?

For Council Approval

SERVICE PERFORMANCE RESULTS FOR 2019-2022	CURRENT	TREND
Per cent of administrative policies reviewed and revised as per policy review due date (Per cent)	0	↑
Per cent of course participants who identified an increase in understanding of corporate governance related policy, procedure and process requirements as a result of training (Per cent)	0	↑
Number of corporate governance areas that have an increase in maturity (Count)	0	↑
Number of engineering non-compliance occurrences (Count)	0	↓

Breakdown of net operating budget (\$000s)

	2019	2020	2021	2022
Previous Year's Budget	12,237	12,583	12,585	12,587
Less Previous Year one Time	-	-	-	-
Base	12,237	12,583	12,585	12,587
Revenue Changes	-	-	-	-
Internal Recovery Changes	-	-	-	-
Inflation	2	2	2	2
Operating Impact of Previously Approved Capital	-	-	-	-
Operating Impact of New Capital (Incremental)	-	-	-	-
Efficiencies	-	-	-	-
Service Reductions	-	-	-	-
Service Increases	230	-	-	-
One Time	-	-	-	-
Realignments	114	-	-	-
Total	12,583	12,585	12,587	12,589

Total Operating Budget (\$000s) for Approval

	2018 Budget	2019			2020			2021			2022		
	At Mar 31	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total
Expenditure	16,965	17,311	-	17,311	17,313	-	17,313	17,315	-	17,315	17,317	-	17,317
Recoveries	(4,513)	(4,513)	-	(4,513)	(4,513)	-	(4,513)	(4,513)	-	(4,513)	(4,513)	-	(4,513)
Revenue	(215)	(215)	-	(215)	(215)	-	(215)	(215)	-	(215)	(215)	-	(215)
Net	12,237	12,583	-	12,583	12,585	-	12,585	12,587	-	12,587	12,589	-	12,589



Recommended Capital Investment to Support Service Delivery

Capital Budget for Council Approval

ACTIVITY	DESCRIPTION	2019 REQUEST (\$000s)	2020 REQUEST (\$000s)	2021 REQUEST (\$000s)	2022 REQUEST (\$000s)	2023+ REQUEST (\$000s)	Total REQUEST (\$000s)
Annual Investment Program(s)		-	-	-	-	-	-
Project(s)		-	-	-	-	-	-
Program(s)		-	-	-	-	-	-
Sub-Total (New Budget Requests)		-	-	-	-	-	-
Previously Approved Budget Remaining		500	-	-	-	-	500
Total Capital Investment		500	-	-	-	-	500

Explanation of Capital Budget Requests

No new Capital Budget for approval.