



THE CORPORATION OF THE TOWN OF AMHERSTBURG

OFFICE OF CORPORATE SERVICES

MISSION STATEMENT:

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| Author's Phone: 519 731-0012 ext. 2254 | Date to Council: August 8, 2022 |
| Author's E-mail: tprince@amherstburg.ca | Resolution #: N/A |

To: Mayor and Members of Town Council

Subject: Update on the Deloitte Report 2022

1. RECOMMENDATION:

It is recommended that:

1. The report from the Director of Corporate Services/CFO dated July 30, 2022, regarding Update on the Deloitte Report **BE RECEIVED for information.**

EXECUTIVE SUMMARY:

N/A

2. BACKGROUND:

In January 2014, Council initiated a request of the Ministry of Municipal Affairs to conduct an audit regarding the Town's financial situation. Over several months of dialogue between the Ministry and the Town, a Memorandum of Understanding was agreed upon for a financial services review and By-law 2014-29 was adopted by Council on April 7th, 2014. The Ministry undertook a procurement process and the successful proponent engaged by the Ministry on behalf of the Town was Deloitte LLP. A field review was undertaken by Deloitte between June 25th, 2014 and July 15th, 2014. The scope of the Deloitte review included the areas of:

1. Matching Revenues and Expenses
2. Stewardship of All Municipal Assets
3. Reserves and Reserve Funds
4. Communication with Council on Financial Matters
5. Agreements, Policies, Procedures and By-Laws

6. Financial Practices and Policies

The review covered the period of January 1st, 2009 to June 30th, 2014.

On August 11th, 2014, Deloitte LLP presented the Town with the Town of Amherstburg–Financial Management and Practices Review Report. The report contained 41 recommendations to assist the Town in addressing a number of high profile financial matters, annual operating deficits and long term debt. The report outlined areas of improvement to ensure the Financial Services Department of the Town reaches a mature state. Council unanimously adopted the following resolution:

“That the presentation be received and that Council and Administration continue to work with the representatives from Deloitte LLP in implementing the 41 recommendations of the financial services review.”

Subsequently, a Special Council Meeting was held on September 11th, 2014, to allow Council the opportunity to question and obtain a better understanding of the findings and 41 recommendations contained within the Deloitte report. This report is a status update for Council on the implementation of 41 recommendations contained within the Deloitte report.

On November 17th, 2014, Council was presented with an update on the progress Administration has made as it relates to the 41 recommendations provided by Deloitte. At that meeting, Council was advised that as of October 22nd, 2014, the Town had implemented 15 of the 41 recommendations.

On February 9th, 2015, Council was presented with a further update on the implementation progress as it relates the 41 recommendations provided by Deloitte. At that meeting, Council was advised that as of January 29, 2015, Administration had implemented 20 of the 41 recommendations.

On September 28th, 2015, Council was presented with yet a further update on the implementation progress as it relates the 41 recommendations provided by Deloitte. At that meeting, Council was advised that as of September 17th, 2015, Administration had implemented 38 of the 41 recommendations.

On April 25th, 2016 Council received a report from the Director of Corporate Services/Treasurer regarding an update on the Deloitte Report. The report provided indicated that all of the 41 recommendations were completed within the timelines.

3. **DISCUSSION:**

Subsequent to the last update to Council on April 25th, 2016, Administration has continued to work on many of the recommendations contained within the Deloitte report.

The transition of staffing over the last couple of years and the pandemic, has delayed the scheduled review and update of policy and Administration is working towards review and update of policy based on priority and will bring these updates to Council on a staggered basis.

With a new Council schedule for the next term, it will be brought forward for the new Council's work plan to develop a new strategic plan, which should include a Financial Plan that considers the 2022 Asset Management Plan recommendations, presented on August 8, 2022, to Council.

Administration continues to monitor and implement processes that will improve adherence to policy. Based on the most recent review from KPMG, documentation of current processes to facilitate knowledge transfer will need to be included. Succession planning can also play a key role in the transfer of knowledge and in the Town's strategic plan.

4. RISK ANALYSIS:

Failure to continue to build and improve upon the Deloitte recommendations could have a negative impact on the reputation and financial future of the Town. Administration will continue to work diligently in implementing strategies, practices, policies and procedures that will benefit the Town and its residents to facilitate improved financial management, accountability, and transparency of the financial decision-making process.

5. FINANCIAL MATTERS:

N/A

6. CONSULTATIONS:

Senior Management Team.

7. CONCLUSION:

Administration has now completed and implemented solutions for all of the 41 recommendations contained in the Deloitte report, as per the attached Appendix "A".. Administration will continue to monitor the maintenance of the implemented solutions from the 2014 Deloitte Review and documentation of the process as per the KPMG review of 2022.



Tracy Prince
Director Corporate Services/ CFO/Treasurer

APPENDICES:- Appendix “A” Deloitte Reports