Office of the Municipal Auditor General,
The Corporation of the City of Windsor

January 15, 2025

Ford City Business Improvement Area
GOVERNANCE BYLAW COMPLIANCE
INTERNAL AUDIT REVIEW

REPORT

Executive Report

Ford City Business Improvement Area Governance Bylaw Review Overview

Ford City Business Improvement Association (BIA) works towards the attraction, retention and promotion of businesses in the historic Ford City area. Historic, unpolished, and ready, Ford City and Drouillard Road is home to businesses and entrepreneurs who are not afraid to take risks.

In 2023, the BIA had actual revenues of $47,891, including levies of $32,000, a 1.3% increase over 2022. An annual deficit of $7,409 was incurred but was covered by reserves. There are 160 businesses/property owners listed on the membership listing.

Context Setting

Conducting a compliance audit within the first year of implementing a new framework can offer significant benefits regarding the early detection of issues, organizational awareness, and framework alignment. However, it also comes with risks, including potential strain on resources, misinterpretation of results due to framework infancy, and resistance from personnel. Such a review should anticipate compliance exceptions, as should the reader of the report.

For entities in their first year, we anticipated either Needs Improvement or Non-compliance ratings. The latter rating applies to smaller BIAs or those with a new level of required evidence for compliance.

Insights

- The City of Windsor Business Improvement Area Governance Bylaw (Governance Bylaw) was recently (late April 2023) put in force when considering the scope period of this review.
- While several controls were noted as being in effect or partially compliant, management representation was required for many controls.
- The governance bylaw contains a significant volume of control activities and processes, which will likely increase efforts for a BIA of this size.

Project Purpose

The objective of this internal audit was to consider the BIA's compliance with a significant portion of the Governance Bylaw and selected topics such as procurement, hiring and termination.

	The scope period for the review was May 2023 through September 2024.
What We Did	Below is a sample selection of some of our activities: We considered 74 specific areas of compliance with the Governance Bylaw. We also reviewed the BIA website to understand the overall context and the Board minutes. We met with management several times to review the various activities that Ford City BIA undertook to comply with the governance bylaw. We requested and acquired evidence to support management's description of the controls. In various instances, we selected samples from a population and tested the operating effectiveness of the controls. We acquired management representation where management indicated controls or activities existed but could not be demonstrated through evidence at the time of our review.
What We Found	Ford City BIA complied with 55.35% of the 56 control requirements during that period. An additional 18 control requirements were deemed not applicable to the BIA.
Overall Assessment[1]	**Non-compliant**
BIA Management Comments	We have recently completed the compliance audit and have a few comments relating to the process and outcome of the audit. This audit was no small task. Our Executive Director has 15 hours a week assigned and this audit went beyond those hours, on top of the daily, operational tasks of the BIA. The Ford City BIA is very organized and has everything under control, but even with that said, the audit took a significant (and far more than anticipated) amount of time. The Ford City BIA has the smallest budget of the BIAs in the City of Windsor. Due to our size and scope, many items in the audit do not directly apply to us and so it appears that we are "non-compliant". For example, we do not have a travel plan, because we do not have the funds nor time to do any BIA-related travelling, and so, we

[1] See Appendix B for rating scale definitions

	appear to be non-compliant. We believe the BIA's would benefit more from a risk-related audit versus a compliance audit. Since the implementation of the new City of Windsor BIA by-law, BIAs have not been provided with any training or tools to complete the tasks outlined within the by-law, again, showing non-compliance. As a small BIA with limited hours, we are seeking support from the City to assist with the additional items we are being asked to provide to comply with the new by-law. The Ford City BIA looks forward to working with the City of Windsor to ensure we are in compliance and attending any support training that is being offered.	
Name:	Shane Potvin	Kaitlyn Karns
Title:	Ford City BIA Chair	Ford City BIA Executive Director
Date:	March 20, 2025	

Administrations Comments	A significant amount of administrative effort was put forth in the development of the Governance Bylaw during which several meetings were held with members and representatives of the BIA Boards to review, provide context and seek feedback with regards to the requirements included in the Bylaw. In addition, BIAs have been provided access to a dedicated single point of contact at the City who is available to respond to questions from the BIA's. Further a centralized email address was made available where BIA's could raise questions and seek clarification on a matter that may arise. This e-mail is regularly monitored for timely responses. Administration acknowledges that specific training regarding the Governance Bylaw has not yet been offered to the BIA board members. Administration recognizes the importance of this training and are committed to finalizing training materials to ensure training is comprehensive, relevant, and supports the BIA's in meeting the governance requirements. The goal is to schedule and deliver training by the Fall of 2025. Future training, which aligns with the term of Council and election of BIA Boards will be scheduled commencing in 2027. Training will incorporate key aspects as identified through the Ford City Business Improvement Area Internal Audit Review (January 15, 2025) as well as other items for

	consideration as identified in this report. At this time, Administration is not recommending any proposed changes to the current Governance Bylaw. Those areas where compliance may be challenging for the BIA's will be highlighted for further discussion as part of the planned training.
Name:	Janice Guthrie
Title:	Commissioner of Finance/City Treasurer
Date:	April 9, 2025

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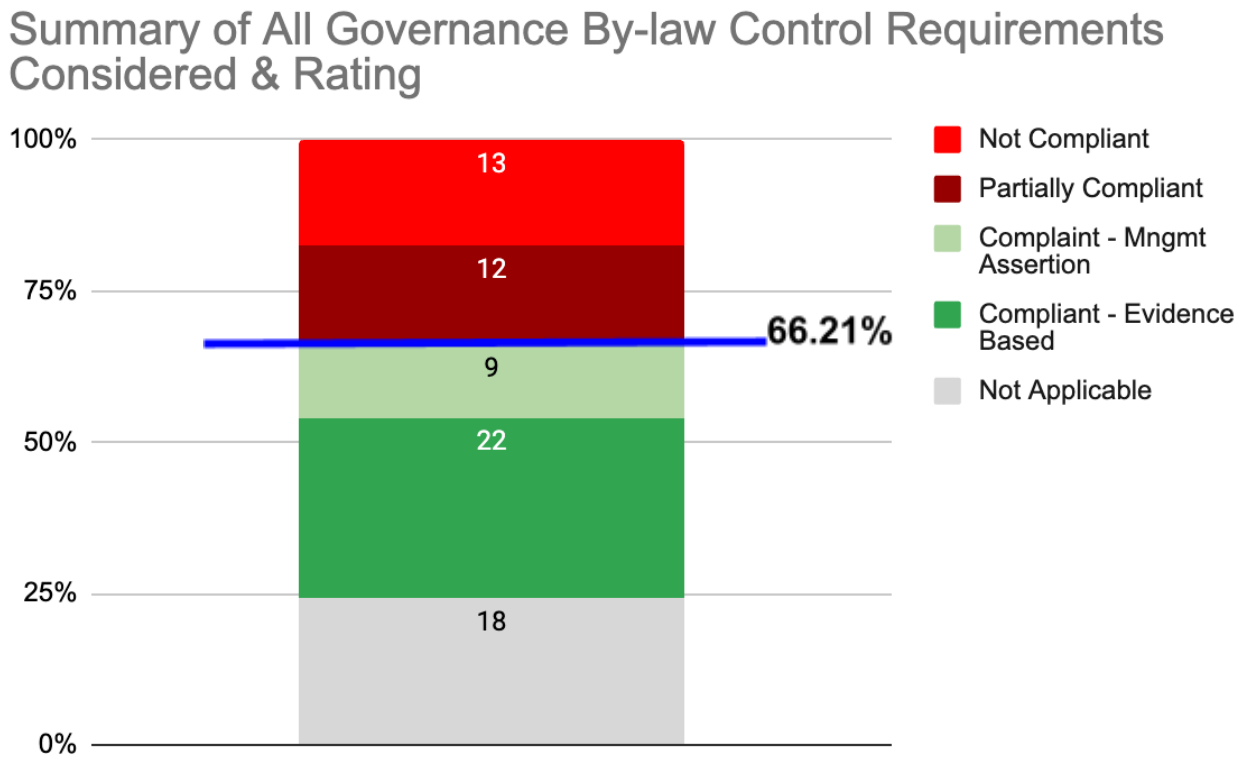
Summary of Results

Report Classification

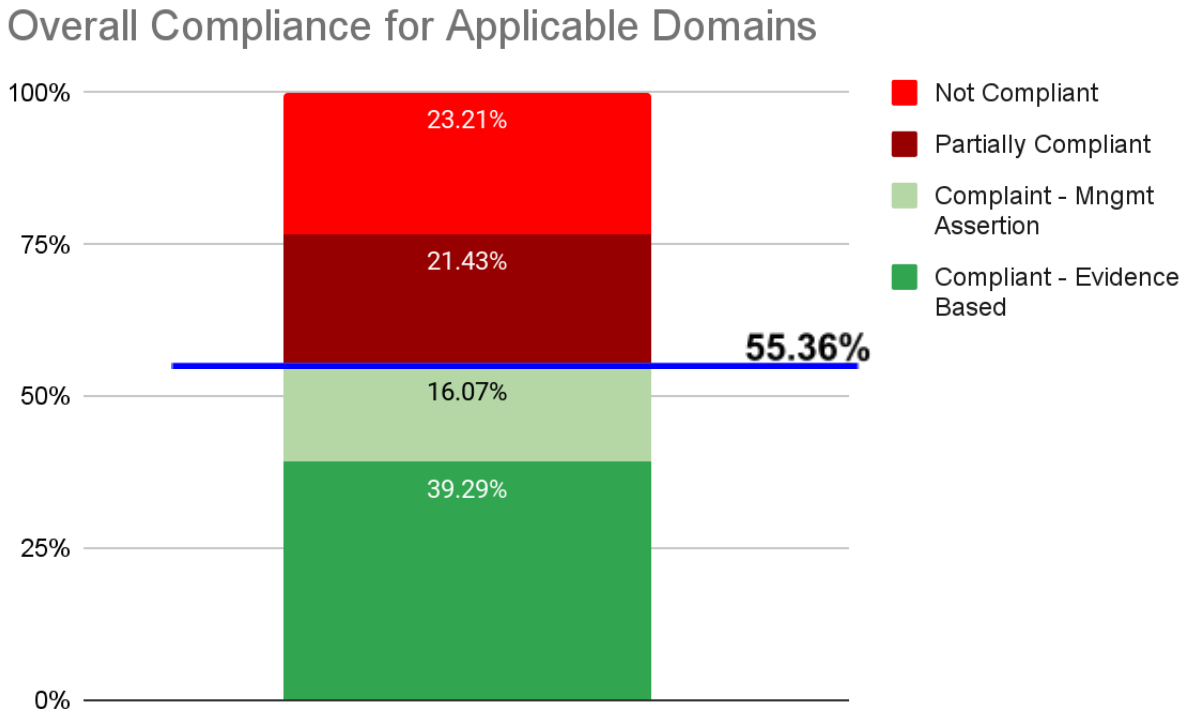
When reviewing the Ford City BIA, we considered 74 specific control requirement areas (domains or Governance Bylaw elements), of which 18 were deemed not applicable to the context of the BIA during the scope period. Therefore, the Ford City BIA was assessed against 56 specific control elements. Overall, the compliance assessment is represented by the following graph:



Assessment	Score	Percentage
Not Applicable	18	24.32%
Compliant - Evidence Based	22	29.73%
Complaint - Mngmt Assertion	9	12.16%
Partially Compliant	12	16.22%
Not Compliant	13	17.57%
Total	**74**	**100.00%**

Overall Compliance Assessment

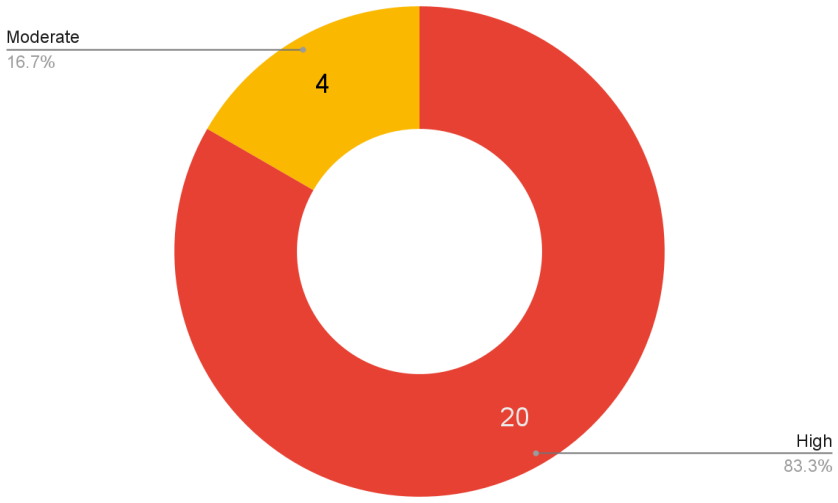
The Ford City BIA's compliance with applicable Governance Bylaw control requirements was assessed at 55.36%, considering evidentiary support and management representation.



Findings Rating Dispersion

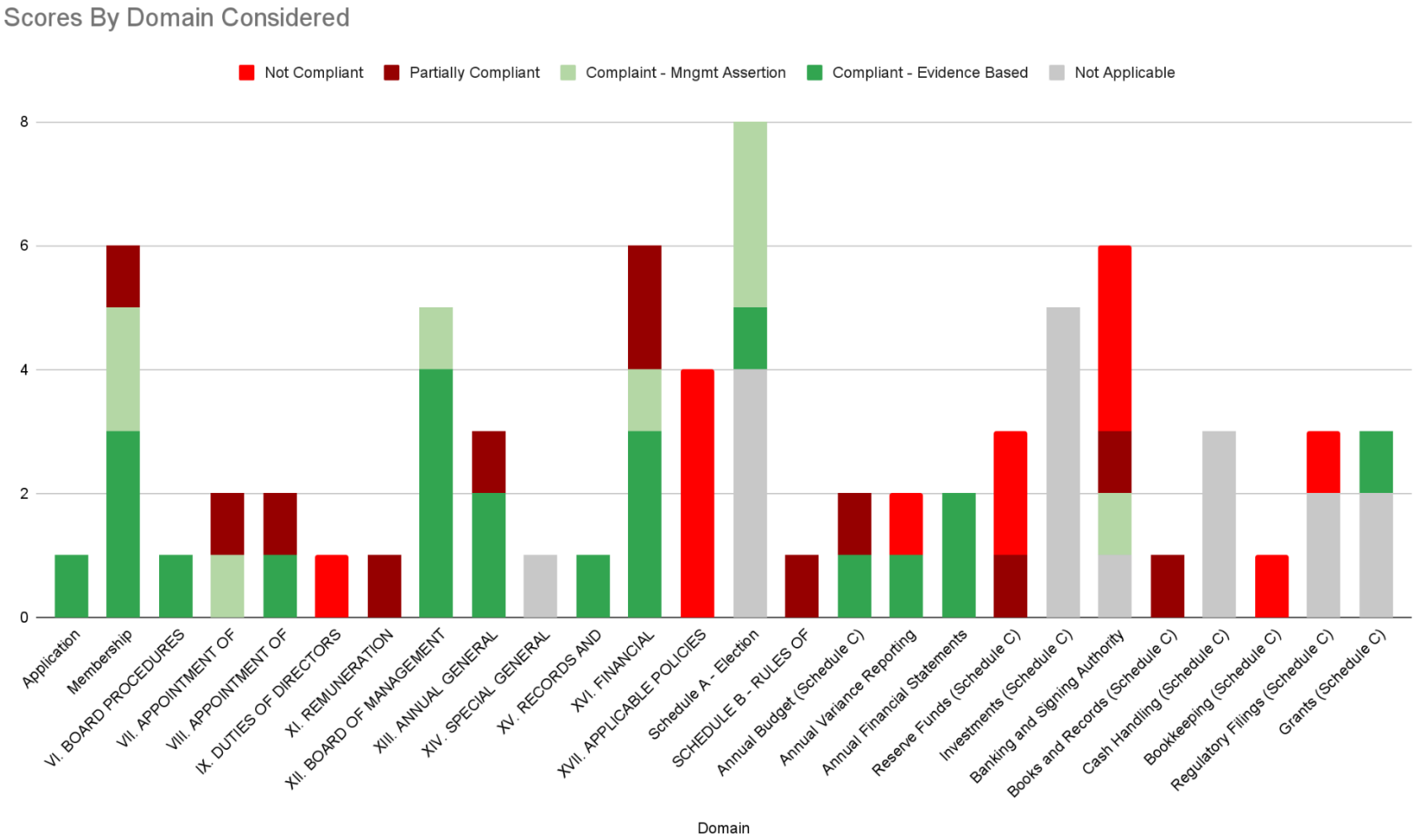
As part of the review, we identified several findings for which we recommend that the City Administration provide consideration or input before BIA management develops an action plan.

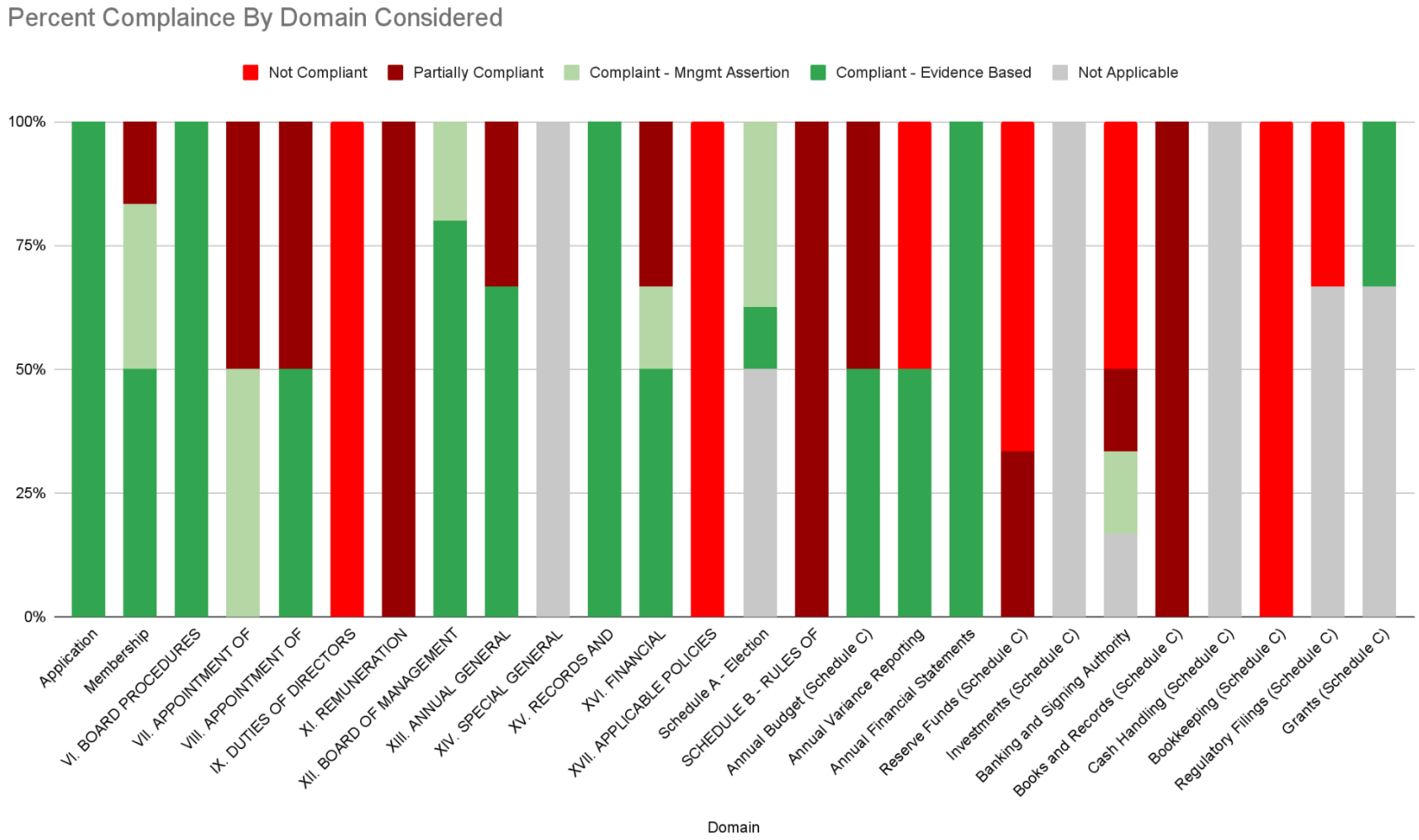
Overall, twenty-four findings have been outlined in the Detailed Findings section of this report, and one finding may impact several compliance areas. The following graphic provides an overview of the individual aggregation of finding ratings:



Assessment by Governance Bylaw Domain

The following graphs depict the assessment, by major bylaw area (domain), as a count and percentage of control requirements considered. As such, the graphic provides insight into the specific areas where compliance was challenging.




Percent Complaince By Domain Considered
Not Compliant
Partially Compliant
Complaint - Mngmt Assertion
Compliant - Evidence Based
Not Applicable
100%
75%
50%
25%
0%
Application
Membership
VI. BOARD PROCEDURES
VII. APPOINTMENT OF
VIII. APPOINTMENT OF
IX. DUTIES OF DIRECTORS
XI. REMUNERATION
XII. BOARD OF MANAGEMENT
XIII. ANNUAL GENERAL
XIV. SPECIAL GENERAL
XV. RECORDS AND
XVI. FINANCIAL
XVII. APPLICABLE POLICIES
Schedule A - Election
SCHEDULE B - RULES OF
Annual Budget (Schedule C)
Annual Variance Reporting
Annual Financial Statements
Reserve Funds (Schedule C)
Investments (Schedule C)
Banking and Signing Authority
Books and Records (Schedule C)
Cash Handling (Schedule C)
Bookkeeping (Schedule C)
Regulatory Filings (Schedule C)
Grants (Schedule C)
Domain

Key areas where compliance was challenging were:

1. IX. DUTIES OF DIRECTORS AND OFFICERS—**Compliance was beyond the BIA's control**. The BIA could not comply and attend governance and conflict of interest training offered by the City because the City had not yet provided this training.

2. XI. REMUNERATION - Expenses appeared to align to the nature of the events within the BIA at the time and did not relate to travel but BIA business; however, there was no Board approved Travel and Business Expense Policy to consider alignment with.

3. XVII. APPLICABLE POLICIES - The Governance Bylaw requires four Board policies at each BIA (1. sale and disposition of land, 2. hiring of employees, 3. procurement of goods and services, and 4. travel and business expenses). In the case of Ford City BIA, none of these policies exist; however, the first two are not applicable as there are no land-based assets and no employees. The latter two are generally applicable as there are procurement activities and the reimbursement of business expenses occurs (travel is not incurred).

4. SCHEDULE B - RULES OF PROCEDURE AND DUTIES OF OFFICERS - There was no direct evidence of (1) Secretary's oversight of the minute requirements and (2) there was no evidence required signing of the minutes by both the Secretary and the Chair.

5. SCHEDULE C IV. RESERVE FUNDS—Reserves exceed 25% of the 2023 levy; however, no formal plan for addressing the reserve was noted, and compliance with sub-provisions was challenging.

6. SCHEDULE C - VI. BANKING AND SIGNING AUTHORITY - Evidence of two signing officers' approval of all payments over $100 was not attainable, two samples did not have the invoice with the reimbursement support, controls over payments to close family relations is people dependent, formal bank reconciliations are not prepared (and therefore approval of them cannot occur).

7. SCHEDULE C VII. BOOKS AND RECORDS - Historical records that were more than two years old were more challenging to acquire or were not acquired. Several of these were corporate minutes that should have been retained.

8. SCHEDULE C IX. BOOKKEEPING - Evidence of the bookkeeper being determined by the Board was not available other than through retrospective approval via payment. No formal agreement related to services, terms and conditions and fees was detected.

Detailed Findings

#	Title	Rating
1	Prior Constitution and Governance	High

#	Title	Rating
	Bylaw Alignment	
Finding	The BIA has a prior existing constitution, which management provided a copy of; however, a signed copy was not readily available. Further, within the Governance Bylaw, Schedule A and B were adopted by City Council, which was the Acting Board for the BIAs at that time. As such, the BIA Governance By-Law and supporting schedules became part of each BIA's governance structure; however, some BIAs have prior Constitutions, bylaws and procedures. This is the case for Ford City BIA, and the language of the BIA Governance By-Law does not appear to contain wording to repeal or supersede these prior governing elements. Further, there was no evidence of subsequent repeal/superseding nor analysis to consider potential conflicting elements detected.	
Implication	An overarching and unsigned constitutional/governance document creates uncertainty and a potential lack of legal authority over the company's governance and operations. While the entity might proceed with operations in some cases, it risks legal challenges, disputes, and operational confusion. There is a risk that a prior constitution and the Governance Bylaw are in conflict or may not be aligned.	
Recommendation for City	The City should consider requiring confirmation from each BIA, at a specified date, that the BIA Board has either: 1. Reviewed and approved an analysis of all prior Governing BIA documents (Constitutions, Bylaws, Policies, etc.) and has completed actions to ensure each document has been updated and is in accordance with the Governance Bylaw, or 2. Tabled and passed a motion, by the BIA Board (or AGM, as appropriate), to repeal all prior governance documents such that the Governance Bylaw supersedes them and is the in-force standard.	
Recommendation for BIA	The BIA should comply with the City's requirements regarding Governance Bylaw policies.	
2	**BIA Membership Authority**	**High**
Finding	The Governance Bylaw specifies that "the Secretary is responsible to ensure the Membership list is current"; however, BIA members are defined by the Municipal Act, and final membership is determined through the City Levy listing within the boundary. Further, the BIA often has the membership listing updated and maintained by the Director and chair.	
Implication	Risk of non-compliance with administrative items in the bylaw.	

#	Title	Rating
	The risk that membership and levy listings do not align or are challenging to map.	
Recommendation for City	NA	
Recommendation for BIA	The BIA Board, through the Secretary, should ensure that there is a method for the Secretary to confirm that they have ensured the membership list is correct (e.g., a memo in the Board Agenda or a minute). At a minimum, this should precede the determination of any mailing list (notice of meeting invitations) for the AGM or any Special General Meeting called. The Secretary should ensure that evidence of the City Levy parties are included in the membership listing and that evidence thereof is retained to support the Secretary's confirmation of an accurate membership list. The BIA Board will need it own local unique method for ensuring local business tenants are represented.	
3	**Election Practices**	**High**
Finding	The Governance Bylaw requires several elements not detected as being in effect for the election of directors. These are specific items such as: - the appointed two people to act as election officials to conduct and oversee the election - only one individual was present for the counting of the ballots Other items required under the bylaw could not be co-or berated as supporting evidence was unavailable. This includes elements such as: - formal outline of the actual voting process/requirements - voting occurred by secret ballot - method of how ballots were delivered to the election officials - appropriate storage and destruction of ballots	
Implication	There is a risk of non-compliance with administrative items in the bylaw, which would require additional efforts and likely costs.	
Recommendation for City	The City should incorporate election practices as a topic for coverage in planned future BIA training.	
Recommendation for BIA	The BIA should ensure the above practices are in place and adhered to the next time a Board Member is elected.	
4	**Ex-officio Board Member**	**High**

#	Title	Rating
Finding	The BIA directors appointed per the City Council Striking Committee listed all the Directors elected by the Ford City BIA members; however, the ex-officio member of the Board of Directors (permitted per the current BIA Constitution) was not included in the appointment listing. The ex-officio member is allowed as per the Ford City BIA constitution.	
Implication	A mishap in the director's listing creates a conflict between the in-force pre-existing BIA Constitution and the Governance Bylaw.	
Recommendation for City	NA	
Recommendation for BIA	The BIA should remove ex-officio directors from the constitution and Board as they are not permitted under the Governance Bylaw.	
5	**Board Meeting Attendance**	**High**
Finding	In assessing compliance with the bylaw specification that every Director and Officer of the BIA attend each meeting, we noted that: - Four of the seven directors attended 100% of the meetings. - One attended 66.67 of the meetings. - One attended 55.56% of the meetings. - One attended 22.22% of the meetings.	
Implication	Non-compliance with this element of the Governance Bylaw should be anticipated as full attendance of all volunteers at all meetings might not reflect reality.	
Recommendation for City	While full attendance at every board meeting might be the ideal or expected standard in some governance models, it's not always realistic or necessary for a small organization or diverse board. A more flexible approach which allows for remote participation encourages active involvement and sets reasonable attendance goals, may help ensure effective governance without placing undue pressure on board members and should be considered.	
Recommendation for BIA	The BIA should monitor attendance and address issues preventing the attendance attainment metric from being attained.	
6	**Governance and Conflict of Interest**	**High**

#	Title	Rating
	Training	
Finding	The Bylaw requires that every Director and Officer of the BIA attend the City's governance and conflict of interest training. In testing, we noted that such attendance was impossible as the training had not been offered by the City to BIA Directors and Officers since the Council Resolution regarding the Governance Bylaw was passed	
Implication	Risk of non-compliance with Governance Bylaw and potential for non-compliance or misunderstanding of the City's governance and conflict of interest requirements.	
Recommendation for City	The City should provide the required City governance and conflict of interest training as soon as possible, at the beginning of every term, and in a way such that mid-term appointments can participate or attend.	
Recommendation for BIA	The BIA should ensure that all Directors comply with the attendance requirements per the Governance Bylaw.	
7	**Business Expense Reimbursement**	**High**
Finding	There is no Board approved Travel and Business Expense Policy. While BIA representatives do not currently travel, nor are they reimbursed for travel expenses, various BIA members have incurred business expenses and have been reimbursed. In a sample of ten random payments, one did not have a supporting invoice. In testing compliance with the Governance Bylaw requirements, the testing of approval being obtained before payment processing could not be determined for the second signatory as this process is not used for items within the approved budget funds, and while explicit evidence of the 1st signatories advance approval was not detected the actual act of initiating and processing the payment implies that signatories approval.	
Implication	Risk of non-compliance with Governance Bylaw. There is an increased risk that business expenses do not follow a standard purchasing/reimbursement practice that meets city and/or public expectations.	
Recommendation for City	The City should establish and track compliance with a target date for the various BIAs to submit their Travel and Business Expense Policy for City approval.	
Recommendation for BIA	The BIA should develop and implement a Travel and Business Expense policy that conforms to the Governance Bylaw requirements and business and expense reimbursement practices. Such a policy addresses travel expenses permitted as well as reimbursement of Directors for expenses incurred on behalf of the BIA. The BIA should generate and retain evidence of compliance with the Governance Bylaw, ensuring that the requisite approvals are obtained before funds are issued.	
8	**Board Agenda Publication**	**Moderate**

#	Title	Rating
Finding	Publication of the Board Agendas on the website 72 hours before any Board meeting was not detected for past meetings. This is required by the Governance Bylaw section XII.iv.	
Implication	Risk of non-compliance with City Bylaw and the potential for reduced awareness of BIA members.	
Recommendation for City	NA	
Recommendation for BIA	The BIA should comply with the Governance Bylaw and post Board Agendas on the web at least 72 hours before a meeting.	
9	**AGM Agenda Circulation**	**Moderate**
Finding	The Governance Bylaw requires advance notice of the Annual General Meeting, with the agenda and supporting materials attached. While notice was provided 16 days before the meeting, the agenda and supporting materials were issued seven days later. As such, the supporting materials for the meeting were not circulated 15 days in advance as required by the Governance Bylaw.	
Implication	There is a risk of non-compliance with the Governance Bylaw and the potential for reduced awareness of BIA members.	
Recommendation for City	NA	
Recommendation for BIA	The BIA should comply with the Governance Bylaw and circulate the required materials at least 15 days before the Annual General Meeting.	
10	**Designation of Financial Institution**	**Moderate**
Finding	Minutes indicating the approval of the current (in period) financial institution as the designated entity could not be readily located by the BIA.	
Implication	Risk of non-compliance with City Bylaw and inaccurate corporate records. Complications could arise should the appointment or use of the current financial institution be called into question or challenged.	
Recommendation for City	NA	
Recommendation for BIA	Where historical records of the appointment of the designated financial institution cannot be located, the BIA should ensure that minutes indicating the appointment of the financial insulation are generated and that the record books are updated.	
11	**Policies**	**High**

#	Title	Rating
Finding	The following policies are not formally defined: sale and disposition of land, hiring, purchasing, or business and travel expenditures. Ford BIA has no employees, travel is not incurred on the BIA's behalf, and general purchasing activities are below the City policy level. The City should consider providing minimum expectations and a template related to these topics. Further, business expenses are incurred by Directors/members, and as such, the business expenditures policy is required.	
Implication	Non-compliance with the Governance Bylaw.	
Recommendation for City	The City should consider minor modifications of the Governance Bylaw section XVI.vii to determine whether the BIA should craft and implement policies related to employees and land disposition where there are no employees or land assets. Further, the City should consider incorporating Termination elements into the Hiring policy requirement. If the City desires BIAs to have all the policies listed in place now. Then, the City should consider updating the Governance Bylaw wording to require that BIAs also have a method for ensuring the policies not currently applicable are kept (1) up-to-date and (2) that awareness of the policy is maintained by the Board and the Executive Director (or equivalent). If the City desires BIAs to have the policies when relevant. Then, the Governance Bylaw wording should be updated to include trigger language such as "before initiating any recuriting activities" or "before considering any land purchases" for the hiring and land disposition policies respectively.	
Recommendation for BIA	1. The BIA should design, implement and comply with a Purchasing Policy and a Travel and Business Expense Policy as purchasing occurs and directors are reimbursed for expenditures. 2. The BIA should comply with the requirements that the City determines regarding its final action plan regarding policies regarding the Sale and disposition of Land and Hiring.	
12	**Minutes Oversight**	**High**
Finding	There was no direct evidence of compliance with the following Governance Bylaw requirements: (1) the Secretary's oversight of the minute requirements and (2) no evidence of the required signing of the minutes by both the Secretary and the Chair.	
Implication	Non-compliance with the Governance Bylaw.	
Recommendation for City	NA	
Recommendation	Corporate minutes should be signed to ensure their authenticity, provide legal	

#	Title	Rating
for BIA	protection, and maintain good governance. Signing the minutes creates an official, final record of the proceedings, promotes accountability, and safeguards against potential legal issues. It also ensures that the documented decisions of the board and members are clear and accurate and can be relied upon for future reference or verification.	
13	**Results as Planned**	**High**
Finding	We reviewed the 2023 financial statements and noted that a deficit was incurred, which was not in accordance with the approved budget, a reserve reduction plan or the Governance Bylaw. The drawdown or use of a Reserve reduction plan would also require a planned deficit, making any BIA non-compliant with the Governance Bylaw.	
Implication	Non-compliance with Governance Bylaw. Long-term or severe non-compliance may result in significant financial losses or unintended use of any surpluses.	
Recommendation for City	The City may wish to revise this requirement considering (1) planned/approved deficits, (2) a reserve reduction plan or (3) where deficits are identified and escalated to the City for approval in a specified advance manner.	
Recommendation for BIA	The BIA should ensure compliance with the Governance Bylaw.	
14	**Variance Reporting**	**Moderate**
Finding	The Bylaw requires that budget variances be reported to the board at least semi-annually; however, only one such variance report was noted during the scope period.	
Implication	Non-compliance with Governance Bylaw. Long-term or severe non-compliance may result in unexpected and/or unnecessary variances.	
Recommendation for City	NA	
Recommendation for BIA	The BIA should report budget variances to the board on a semi-annual basis.	
15	**Reserve Opening Balance**	**High**
Finding	At the end of 2022, there was a $41,762 accumulated surplus. The 2024 budget and 2023 projected actuals circulated do not include this balance as an opening accumulated surplus. However, the budget does indicate that the 2024 projected deficit will be attributed to the accumulated surplus account.	

#	Title	Rating
Implication	Opening balance information presented may not be accurate.	
Recommendation for City	NA	
Recommendation for BIA	Management should ensure reporting presents information wherein the opening balance of accumulated surplus for each year should equal the closing balance of the prior year.	
16	**Reserve Usage Plan**	**High**
Finding	The Reserve Balance exceeds 25% of the annual levy, and the Governance Bylaw, therefore, requires that “the Board is required to develop a plan that will expend the funds, with said plan being presented as part of the annual budget submission for approval by Council.” However, no such plan was detected.	
Implication	Non-compliance with Governance Bylaw. Reserve balances may not reflect the needs of the BIA and/or the City.	
Recommendation for City	The City should establish, and track compliance with, a target date for the applicable BIA’s to submit their plan for managing their reserves to the City.	
Recommendation for BIA	The BIA should document its plan to expend reserve funds beyond the limit and include this plan in its submission to Council for approval.	
17	**Reserve Presentation**	**High**
Finding	The Financial Statements include (1) an accumulated surplus on the Statement of Financial Position with a note regarding the breakout, (2) a Statement of Net Change in Financial Assets, (3) a note indicating there is a positive balance in a “Future Development Reserve” and a negative in the “Other” reserve. It is unclear what the “Other” reserve is and why it is negative. Further, to cover the in-year deficit, funds appear to be used from the “Future development” as the “Other” was in an unfavourable position at the beginning of the year. An allocation of this nature should be taken from a general operating reserve per the Governance Bylaw.	
Implication	Non-compliance with Governance Bylaw. The presentation of Reserve information may not be apparent or understood.	
Recommendation for City	NA	
Recommendation for BIA	The nature and intended use of each reserve should be apparent from the name and intended use, possibly further in the Reserve Expenditure plan, if applicable. Obscure reserve names such as "Other" should be avoided. Negative reserves should be avoided and require Board and Council approval.	

#	Title	Rating
18	Approval of Expenditures	High
Finding	Items within the approved budget are reimbursed without acquiring additional approvals based on the approval of the budget. Items outside or beyond the budget require approval. As such, in the sample selected, the Bylaw requirement for payment approval by two of the authorized personnel was not detected.	
Implication	Non-compliance with Governance Bylaw. Having only one approver increases the risk of unauthorized payments, error or misuse.	
Recommendation for City	NA	
Recommendation for BIA	The BIA should acquire and retain evidence of the requisite authorization from two authorized signatories before issuing payment, as per the bylaw (this may be done in written format, via email approval, or minuted as part of a board meeting). The approval should be evidence, and there should be some evidence of the timing of authorization to indicate that it was acquired before issuing payment.	
19	Expenditure to Closely Related Parties	High
Finding	No formal control mechanisms exist for payments to closely related parties. Signatory awareness is the primary control, emphasizing the knowledge of the Executive Director and the Chair. This was confirmed via management representation.	
Implication	Non-compliance with Governance Bylaw. Inappropriate or misuse of funds may occur.	
Recommendation for City	NA	
Recommendation for BIA	The BIA should acquire formal evidence of agreement of (1) intent to comply and (2) annual attestation of compliance with this Governance Bylaw requirement from all authorized signatories.	
20	Bank Reconciliation Practices	High
Finding	Formal bank reconciliations are not prepared. This is due to the approach of using e-transfers rather than cheques and depositing funds on the day of receipt—no outstanding items should exist. Deposits are promptly made, often electronically, and payments are e-transfers; as such, outstanding bank items are not anticipated. A financial summary is prepared and circulated. There was no evidence of reviewing or discussing the financial summary with the Treasurer before Board meetings. Since bank reconciliations are not prepared, no	

#	Title	Rating
	evidence of reviewing them is available, nor is the associated approval by the Board possible.	
Implication	Non-compliance with the Governance Bylaw. The absence or untimely preparation and review of bank reconciliations increases the risk of unauthorized payments, lost deposits, errors, and misuse of funds.	
Recommendation for City	NA	
Recommendation for BIA	Bank reconciliations should be completed by a designated individual(s) other than the Treasurer. The Treasurer should independently review the bank reconciliations, ideally monthly or at least quarterly. After the treasurer's review, bank reconciliations should be presented to the Board for approval as part of the minuted agenda. Evidence of the date and occurrence of the Treasurer's review of the Bank Reconciliation should also be retained.	
21	**Records Retention**	**High**
Finding	Based on the requests made in the general review of the bylaw compliance review, appropriate record and retention protocols are in place for recent records. Historical records over two years old were more challenging to acquire or were not acquired. Several of these were corporate minutes that should have been retained.	
Implication	Non-compliance with Governance Bylaw. Missing minutes and records can have serious legal, financial, operational, and reputational consequences.	
Recommendation for City	NA	
Recommendation for BIA	The BIA should ensure a robust system for recording and storing key documents is in place.	
22	**Bookkeeping Agreement**	**High**
Finding	Other than considering implied approval via payment of bookkeeper fees, evidence of the board's approval of the bookkeeper was unavailable. No formal agreement of services, terms and conditions, and fees were detected.	
Implication	Non-compliance with Governance Bylaw. Increased risk of challenges and lack of clarity/accountability should a dispute or disagreement arise.	
Recommendation for City	NA	
Recommendation for BIA	The BIA should ensure that the bookkeeping service engaged has a formal agreement of services, terms and conditions, and fees.	

#	Title	Rating
23	Financial Statement Submission	High
Finding	The BIA did not submit the annual report with financial statements within the timeframe required by the City (April 26, 2024). While management appears to have submitted the bookkeeping package to the external auditors in mid-to-late February 2024, the audited financial statements were received on July 23/24 and issued to the City on August 20, 2024.	
Implication	Non-compliance with Governance Bylaw. Late reporting may result in reduced transparency, inability to respond to challenges, and timing impacts on overall City financial reporting.	
Recommendation for City	The City should review the various BIA's financial reporting challenges to identify success factors and root causes and understand the obstacles creating delays in overall reporting.	
Recommendation for BIA	The BIA should quickly escalate challenges and concerns related to financial reporting to their City contact in a formal manner.	
24	HST Submission	High
Finding	The Governance Bylaw requires timely submission of the HST filings. However, the 2023 filing, a rebate, was not filed for more than 11 months after the period ended.	
Implication	Non-compliance with Governance Bylaw. Loss of interest and reduced cash flow.	
Recommendation for City	NA	
Recommendation for BIA	The BIA should ensure annual HST filings occur within 3 months or less of year-end.	

Appendix A - Compliance Assessment

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
	Application			
1	I. iv. This bylaw shall not be amended without the approval of Council. (Review the minutes to identify if any elements passed by the BIA would have modified the Council resolution. Consider whether corporate records include the Council bylaw and amend or supersede prior bylaws/constitutions of the BIA.)	*Reviewed posted minutes after City Council passing of the "The City of Windsor Business Improvement Area Governance Bylaw". Noted no items which would be considered contrary to the Council resolution as it was adopted in full and without amendment. The BIA Constitution was provided but not signed. The original constitution was signed a while ago and was not readily available. Management representation obtained.*	Compliant - Evidence Based	1
	Membership			
2	IV ii. In addition to Members, a BIA may also include Non-Voting Members as defined in this Bylaw. Non-Voting Members must be approved by a majority of the Members and their term of Non-Voting Membership coincides with each term of Council. (Acquire a copy of the current listing of all Members and Non-voting Members. Select a sample of Non-Voting members and tie to evidence that the Non-voting member was approved by a majority of voting members.)	*General membership does not include non-voting members; an ex-officio member is on the board. The ex-officio member is in accordance with the Constitution (8. A. iii.). The Constitution requires that these ex-officio members be non-voting members of the Board of Management based on a vote of the Board and on the appointment of the City Council. Minutes indicating a board vote to approve the sitting ex-officio member were not detected, nor was the individual listed on the Council appointment list.*	Compliant - Evidence Based	

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
3	IV iii. A list of all Members and Non-Voting Members shall be kept by the Secretary. The Secretary shall be responsible to ensure the Membership List is current. (Acquire evidence that the Secretary is responsible for and that the authoritative membership list comes from the Secretary.)	*Acquired copy of membership listing. The City provides the business levy list for the BIA boundaries. The President and Executive Director manage the membership list by correlating contact names, emails, etc, to the levy list. There is no evidence that the Board Secretary maintains the list.*	Partially Compliant	2
4	IV iv. Every Member is entitled to: a. Notice of all General Meetings (Select a sample of Members and tie to evidence that for each General Meeting, they received notification with advance notice)	*Selected a sample and noted that the notice was sent on Nov. 6/23 for the Nov. 22/23 meeting. A reminder was sent on Nov. 10/23.*	Compliant - Evidence Based	
5	IV iv. Every Member is entitled to: c. Cast one vote on each question arising at any General Meeting. (Understand the BIA approach to voting at General Meetings and determine the testing approach.)	*Given the voting method and evidence retention practices, independent verification of this control could not be ascertained at the time of filing. Management's representation as to the practice was obtained.*	Complaint - Mngmt Assertion	
6	IV iv. Every Member is entitled to: d) Eligibility to hold any office of the Board of Management. (Review a BIA Board of Management list and determine if each individual is a Member and aligns with the bylaw.)	*Reviewed the BIA director's listing (tied to Council Striking Committee minutes) and confirmed that each director is a member of the BIA. The ex-officio member of the Board, permitted per the constitution, was not included in the striking committee report for Council approval.*	Compliant - Evidence Based	13

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
7	IV. v. Every Non-Voting Member is entitled to receive notice, to attend, and to be heard at all General Meetings, but cannot vote on any issue. (Review the procedure for voting at the General Meeting to determine how vote integrity is maintained (i.e., each Member has only one vote, and Non-voting Members cannot cast votes).)	*In assessing voting integrity, it was noted that the process is not documented but depends on personnel—specifically the Executive Director (not a member) who ran it. As described by management, the process involved sending an email notice to members. Roughly 30 people attended the meeting, where paper ballots were used for voting. The Executive Director collected and tallied the votes, disclosed them to the attendees, and ensured the results were recorded in the minutes. This was confirmed via management representation.*	Complaint - Mngmt Assertion	3
	VI. BOARD PROCEDURES			
8	VI. i. The Board shall adopt the election procedures set out in Schedule “A” to this bylaw. ii. The Board shall adopt the rules of procedure set out in Schedule “B” to this bylaw. iii. These procedures shall not be amended without the approval of Council. (Determine if Schedule A and B have been adopted by the Board and, if there have been any amendments, that prior Council approval exists.)	*Schedules A and B were adopted by City Council, which was the Acting Board for the BIAs at that time. As such, the BIA Governance By-Law and supporting schedules became part of each BIA’s governance structure; however, some BIAs have prior Constitutions, bylaws and procedures. This is the case for Ford City BIA, and the language of the BIA Governance By-Law does not appear to repeal or supersede these prior governing elements. Further, there was no evidence of subsequent repeal/superseding nor analysis to consider potential conflicting elements detected.*	Compliant - Evidence Based	14

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
	VII. APPOINTMENT OF DIRECTORS			
9	VII. i. Directors are appointed to the Board by Council following the processes prescribed in the Municipal Act for a term of four years, mirroring the term of Council. Following the election process, the BIA shall present its nominees to City Council for appointment. v. Each BIA may elect a minimum of five and a maximum of nine Director nominees. The number of Director nominees shall be determined by the Board and approved by the Members. (Determine if the number of officer positions is within the boundaries and if they were elected within the 1 month or appointment by Council or in the first of the new year as applicable.)	*There were seven elected directors and one ex-officio member of the Board. This is within the requirements of the Governance Bylaw. The term is aligned with the Governance Bylaw and was approved by City Council within 1 month of the creation of the Governance Bylaw. The ex-officio member of the Board was not listed on the Council resolution.*	Partially Compliant	13
10	VII. i. Council members appointed to the Board shall be entitled to vote at Board meetings, but shall not be entitled to vote at General Meetings unless they are also Members of the BIA. (Understand management's process to ensure appropriate voting procedures.)	*In assessing voting integrity, it was noted that the process is not documented but depends on personnel - specifically the Executive Director (not a member); who ran the voting process. As described by management, the process involved sending an email notice to members, and roughly 30 people attended the meeting where paper ballots were used for voting. The Executive Director collected and tallied the votes, disclosed them to the attendees and ensured the results were recorded in the minutes. Management representation obtained.*	Complaint - Mngmt Assertion	3

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
	VIII. APPOINTMENT OF OFFICERS			
11	VIII. i. Within one month of the appointment of the Board, and at the first meeting of each new year, as the case may be, the Board shall hold a meeting to appoint the following Officers from among the Directors: a. Chair b. Vice-Chair c. Treasurer d. Secretary (Review the board minutes where Officers were selected and determine if the appointment occurred within permitted offices and in the required timeframe.)	*Reviewed evidence of Board minutes demonstrating that the election of Officers occurred within 1 month of the Board appointment following Council's passing of the Governance Bylaw.*	Compliant - Evidence Based	
12	i. Every Director and Officer shall: c. Prepare for and attend all meetings; (Review meeting minutes and determine if every Director and Officer of the BIA attended each meeting.)	*Given the Governance Bylaw language, the member-elected Directors and the specified Council representatives are appointed to the BIA Board by Council, and all appointees are eligible to vote at Board meetings. All appointees were considered for attendance in this control where. Based on a review of the Board minutes, it was noted that:* *Four of the seven directors attended 100% of the meetings* *One attended 66.67%, and one attended 55.56% of the meetings.* *The Council Representative attended 22.22% of the meetings*	Partially Compliant	

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
	IX. DUTIES OF DIRECTORS AND OFFICERS			
13	i. Every Director and Officer shall: d) Attend governance and conflict of interest training provided by the City at least once per term. (Review evidence that every Director and Officer of the BIA attended the City's governance and conflict of interest training at least once in a term.)	*The BIA couldn't be compliant with this in the scope period. As of April 30, 2023, the City has not yet offered this training for BIA participants to attend.*	Not Compliant	
	XI. REMUNERATION			
14	i. No remuneration shall be paid to any Director for acting as a member of the Board of a BIA. ii. Any reimbursement of Directors and Officers for out-of-pocket expenses shall be done in accordance with the BIA's approved Travel and Business Expense Policy. (Acquire a listing of all payments made to the Directors, Officers, and affiliated entities. Review or select a sample to ensure payments relate to applicable City travel and business expenditures.)	*Reviewed the bank statements and listed all payments to named Directors and their known business. A sample of payments made to Directors or related entities was selected. Acquired supporting invoices and evidence of e-transfer. Expenses aligned to the nature of the events within the BIA at the time and did not relate to travel but BIA business. It should be noted that there is no Board approved Travel and Business Expense Policy. While BIA representatives are not currently reimbursed for travel expenses, business expenses have been incurred by various BIA parties and have been reimbursed.*	Partially Compliant	
	XII. BOARD OF MANAGEMENT MEETINGS			
15	XII. i. The Board shall meet at least once every two months. (Review meeting minutes to determine if the Board met at least every 2 months.)	*Reviewed the Board minutes and noted that the Board met every two months (at least) (nine meetings were reported from May 2023 through April 2024). Two of the meetings slightly exceed a numerical count of 60 days, being 63 days apart; these were conducted in alignment with the spirit of the bylaw.*	Compliant - Evidence Based	

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
16	XII. iii. Notice of each regular Board meeting shall be provided at least five Business Days in advance of the meeting. (Review evidence of Board meeting notification to determine if it is communicated at least 5 days in advance.)	*A review of the minutes posted indicates that the next meeting date is included in the previous agenda (month and date) and posted to the website in advance.*	Compliant - Evidence Based	
17	XII. iv. The agenda and all supporting documents for each regular Board Meeting shall be provided to all Directors and the City Clerk not less than seventy-two hours before the hour appointed for the holding of such meeting, including the provision of all relevant documents. (Review evidence to determine if the meeting agenda and supporting documents were provided to all Directors and the City Clerk at least 72 hours in advance.)	*Acquired copies of agenda submission to Directors and City Clerk and validated that submission agenda was 72 hours, or more, before the associated meeting.*	Compliant - Evidence Based	
18	XII. vi. The agenda shall be posted to the BIA's website. (Review the BIA website to determine if the agenda is published on the website.)	*Reviewed the website and noted past agendas posted. Given the nature of the website updates, it was not possible to retroactively determine if past agendas were previously published in advance. Confirmed via management representation.*	Complaint - Mngmt Assertion	15
19	XII. vi. The agenda shall be posted to the BIA's website. vii. Meeting and voting shall be public unless otherwise permitted by the Municipal Act. (Review voting to identify if any votes did not occur in public. If there were, review evidence/justification that the Municipal Act permits such.)	*Reviewed minutes from May 2023 through September 2024. The voting occurred publicly, with no in-camera sessions noted and no non-public vote noted.*	Compliant - Evidence Based	

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
	XIII. ANNUAL GENERAL MEETING			
20	XIII. i. The Board shall call an annual General Meeting in each fiscal year, the agenda for which shall include but not be limited to: a. minutes of the last General Meeting; b. annual report on programme and accomplishments; c. annual financial report for the current fiscal year and audited financial statement for the prior fiscal year; and, d. proposed budget for the following year. iii. The notice shall include the agenda and all supporting documents. (Review evidence that the AGM was held once in the year and that the required agenda was included.)	*Reviewed evidence indicating that an AGM occurred in 2023 and supporting evidence indicating (1) advance notice of meeting date to members, (2) circulation of agenda with supporting materials (a-d), and minutes of meeting where the required items were presented/discussed, among other items. Observed evidence of the 2024 AGM through a review of minutes.*	Compliant - Evidence Based	
21	XIII. ii. The Board shall distribute notice of the annual General Meeting to all members and Non-Voting Members at least fifteen calendar days before the annual General Meeting. (Review evidence that notice was provided to members per the timeline.)	*Reviewed evidence that email notice was issued 16 days before the AGM date. A random sample of members was selected to ensure they were on the distribution list.*	Compliant - Evidence Based	
22	XIII. iii. The notice shall include the agenda and all supporting documents. (Review evidence that advance notice included the supporting documents required.)	*The initial notice did not include the agenda and supporting documents; however, they were circulated before the meeting. Reviewed the email notice and noted that the agenda and supporting documents were circulated later. Reviewed emails indicating that the agenda and supporting documents were circulated 7 days before the AGM.*	Partially Compliant	16

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
	XIV. SPECIAL GENERAL MEETINGS			
23	i. The Board may hold special General Meetings for any purpose on any date and at any time and at any place within Windsor. ii. The Board shall distribute notice of the special General Meeting to all Members and Non-Voting Members at least fifteen calendar days before the meeting. iii. The notice shall include the agenda and all supporting documents. (Review evidence that advance notice of 15 days, with agenda and support, for any special meeting was provided to all members and all non-voting members.)	*No special meetings were noted in a review of minutes nor in discussion with Board contacts.*	Not Applicable	
	XV. RECORDS AND INFORMATION			
24	i. The Board shall maintain minutes of every meeting of the Board and shall forward true copies of such minutes to all Directors and the City Clerk as soon as practicable after the meeting. ii. Minutes of any Board meetings that are open to the public shall be posted on the BIA's website as soon as practicable following the meeting. (Review evidence of meeting minutes being (1) submitted to the City Clerk and all Directors promptly, (2) posted on the website and (3) that members and non-voting members are made aware of the decisions and actions of the Board.)	*Reviewed published minutes and they appear to represent meetings published.* *Reviewed evidence which indicates that minutes were submitted to the Directors and to the City Clerk in a timely manner.* *Reviewed evidence that minutes are posted to the website promptly so that members and non-voting members can review and be aware of the decisions and actions of the Board.*	Compliant - Evidence Based	
	XVI. FINANCIAL ADMINISTRATION			
25	i. The fiscal year for the BIA shall be the calendar year. (Determine fiscal year alignment.)	*Financial statements indicate that the year-end is December 31.*	Compliant - Evidence Based	

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
26	ii. The Board shall adhere to the financial accountability requirements set out in Schedule “C” to this bylaw. (Determine if the Board has adopted Schedule ‘C’ practices.)	*See controls assessed in #50 through #80 below.*	Partially Compliant	See below
27	iv. The Board shall prepare a proposed budget for each fiscal year by the date and in the form required by the City. (Review evidence that a budget was prepared in accordance with Schedule C, discussed with members and non-voting members, and submit it to the City by the required date.)	*Reviewed the budget submitted to the members at the AGM and to the City Clerk. The budget format aligns with the outline set in Schedule 1 of the Governance Bylaw.*	Compliant - Evidence Based	
28	v. The proposed annual budget shall be presented to the Membership for information. The Board shall provide Member access to approved budget Documents. (Review evidence to determine if the approved budget was provided and available to Members.)	*Reviewed evidence that the budget was circulated to members before the AGM, that the budget was presented at the AGM, and that the minutes posted on the website reflect the passing of the budget. Members can request a copy of the final budget from the Board.*	Compliant - Evidence Based	
29	vii. The Board shall designate a financial institution for the deposit of funds on behalf of the BIA. (Review evidence of the BIA board’s approval of the current financial institution.)	*Management could not readily locate evidence of the approval of the financial institution. Acquired management representation that the Financial institution used during the scope period was the Board designated institution.*	Complaint - Mngmt Assertion	
30	viii. The Board shall submit its annual report for the preceding year to Council on the date and in the form required by the City. ix. The annual report shall include audited financial statements. (Determine if the Board submitted the annual report in the form and the required timeframe, including audited financial statements.)	*The City submission date was specified as DATE.* *The board submitted the AGM minutes and the AGM-approved budget to the City on November 23, 2023. The financial statements were submitted to the City on DATE.*	Compliant - Evidence Based	

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
	XVII. APPLICABLE POLICIES			
31	The BIA shall establish policies related to: 1. sale and disposition of land; (Review evidence of the policy's existence, reasonability, and approval.)	*The BIA does not own any land and does not require a policy on the sale and disposition of land. Confirmed via review of financial statements and management representation.*	Not Compliant	
32	The BIA shall establish policies related to: 2. hiring of employees; (Review evidence of the policy's existence, reasonability, and approval.)	*The BIA does not have employees and, as such, does not require a policy on the sale and disposition of land. A review of financial statements and management representation confirmed this.*	Not Compliant	
33	The BIA shall establish policies related to: 3. procurement of goods and services. (Review evidence of the policy's existence, reasonability, and approval.)	*There is no formal policy regarding the procurement of goods and services. According to management representation, the board generally follows a common approach.*	Not Compliant	
34	v. The BIA shall establish a policy related to Travel and Business Expenses, which the City shall approve. (Review evidence of the policy's existence, reasonability, and approval.)	*A formal policy regarding travel and business expenses does not currently exist. Travel is not listed among the expenses, as per the financial statements. However, various BIA parties incurred business expenses and were reimbursed.*	Not Compliant	
	Schedule A - Election Procedures			
35	I. DATE i. The Board shall select a date and time to conduct the election of Director nominees. The election shall not be conducted on a holiday or a date observed as a holiday by the City. (Review the date of the most recent Director election and determine compliance with requirements.)	*The Board specified the date and time for the election as November 22, 2023, at 6 p.m., which was not a holiday.*	Compliant - Evidence Based	

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
36	II. NOTICE OF ELECTION DATE AND CALL FOR NOMINATIONS i. Written notice of the election of Director nominees and a call for candidates shall be provided to all Members no later than thirty days before the date fixed for the election. The notice shall specify the time, date, and location of the election. Written notice shall also be provided to the City Clerk at clerks@citywindsor.ca. (Review evidence of BIA compliance with the nomination process.)	*Retroactive testing was not conducted, as the election requirements were defined after the current board election. The Board should consider these requirements when planning the next election.*	Not Applicable	
37	II. NOTICE OF ELECTION DATE AND CALL FOR NOMINATIONS ii. In addition to written notice, the time, date, and location of the election, as well as the call for nominations shall be advertised through public and/or social media commencing no later than fourteen days before the election. (Review evidence of BIA compliance with the nomination process.)	*Retroactive testing was not conducted, as the election requirements were defined after the current board election. The Board should consider these requirements when planning the next election.*	Not Applicable	

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
38	III. NOMINATIONS i. Nomination forms shall be made available at the BIA Office, on the BIA website, and at any other location specified by BIA. These locations will be advertised in the call for nomination notices. ii. Each Member may nominate one candidate. iii. Members and Non-Member Nominees are eligible to be nominated. iv. Nomination day will be seven days before the date of the election. v. A person may withdraw their nomination by filing a written withdrawal with the BIA before nomination day. vi. Eligibility of all nominees must be verified by the Board. vii. If at 4:00 p.m. on the Monday following nomination day, the number of approved candidates for an office is the same as or less than the number to be elected, the BIA shall declare the candidate or candidates elected by Acclamation. (Review evidence of BIA compliance with the nomination process.)		Not Applicable	
39	IV. VOTING i. The BIA is responsible to conduct its own election. The Board shall appoint two people to act as election officials to conduct and oversee the election. (Review evidence of the appointment of two people to act as election officials to conduct and oversee the election.)	*Retroactive testing was not conducted, as the election requirements were defined after the current board election. The Board should consider these requirements when planning the next election.* *Given the number of attendees at some of the BIA AGMs, the City should provide guidance on whether these are required to be members or not. If they are to be members, are they eligible to vote? How should compensation be addressed for members or acquired parties?*	Not Applicable	

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
40	IV. VOTING ii. Each Member is entitled to one vote regardless of the number of properties that the Member may own or lease in the BIA. iii. Every Member that is a corporation or partnership has one vote regardless of the number of shareholders or partners comprising the Member. (Understand the BIA's approach to maintaining voting integrity.)	*Retroactive testing was not conducted, as the election requirements were defined after the current board election. The Board should consider these requirements when planning the next election.* *Historically, the Board voted using ballots distributed to eligible voters based on the knowledge of the Board. Confirmed via management representation*	Complaint - Mngmt Assertion	
41	IV. VOTING iv. Voting shall take place by secret ballot. v. After the poll closes the sealed ballots are to be delivered to the election officials. vi. A candidate has the right to appoint a representative to be present during the counting of all ballots. vii. The Election Officials shall count all ballots and post the results on the BIA Website. (Determine if voting occurred by secret ballot. Determine if the sealed ballots were delivered to election officials. Determine if ballot results were posted to the website.)	*Retroactive testing was not conducted, as the election requirements were defined after the current board election. The Board should consider these requirements when planning the next election.* *Historically, the Board voted using ballots administered, collected, counted, and reported on by the Executive Director. Final results were posted to the website, denoting the successfully elected parties as noted in the minutes. Confirmed via management representation*	Complaint - Mngmt Assertion	
42	V. COUNCIL APPOINTMENT i. The list of elected nominees for the Board shall be forwarded to Council for the next available agenda to recommend appointment as Directors. (Review evidence of Council approval of director appointment.)	*The Board currently in place is by the appointment of Council through the Striking Committee. The Ford City BIA Constitution provides for the appointment of Ex-officio/(non-voting) personnel to be appointed to the Board. In the minutes, one such individual was noted as often in attendance and permitted under the Constitution. However, this individual was not listed among the Council appointees.*	Complaint - Mngmt Assertion	13

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
	SCHEDULE B - RULES OF PROCEDURE AND DUTIES OF OFFICERS			
43	iii. The Secretary shall: ensure that the minutes of each meeting (Board meetings and General Meetings) are recorded and presented at the following meeting for adoption. The minutes shall record: i. the place, date, and time of the meeting; ii. the name of the chair of the meeting; iii. the names of all Directors present at Board meetings and Members and Non-Voting Members present at General Meetings; iv. the names of those Directors not present at Board meetings; v. the names of all others present at the meeting; vi. the adoption of the minutes of the prior meeting; and vii. all other motions, decisions, and other proceedings of the Board or General Meeting, as the case may be. e. along with the Chair, sign the adopted minutes and distribute as required; (Review a sample of meetings to assess compliance with the above requirements.)	*Selected a sample of minutes and reviewed the evidence of conformance with the above-noted requirements. There was no direct evidence of (1) Secretary's oversight of the minute requirements and (2) no evidence of the required signing of the minutes by both the Secretary and the Chair.*	Partially Compliant	
	SCHEDULE C - FINANCIAL ACCOUNTABILITY REQUIREMENTS			

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
44	I. ANNUAL BUDGET i. The Board shall prepare a proposed budget for each fiscal year by the date and in the form as set out in Schedule 1 to Schedule C or as amended from time to time. ii. The Board shall submit its budget to Council. (Review evidence that the BIA submitted a budget in accordance with Schedule 1 to Schedule C and that the budget was submitted to Council.)	*Reviewed the budget submitted to the members at the AGM and to the City Clerk. The budget format aligns with the outline set in Schedule 1 of the Governance Bylaw. The Board submitted the budget to the City for submission to Council.*	Compliant - Evidence Based	
45	I. ANNUAL BUDGET iv. The Board is responsible to ensure that expenditures made are in accordance with the approved budget and that expenditures do not exceed revenues such that an operating deficit is incurred. (Review financial statements to ensure a deficit is not incurred. Review evidence to determine if deficit/surplus is presented to the board.)	*Reviewed the 2023 financial statements and noted that a deficit was incurred. The deficit was not part of the approved budget or a reserve reduction program. The deficit was presented to the Board and member*s.	Partially Compliant	
46	II. ANNUAL VARIANCE REPORTING i. Budget variance reporting shall be completed and presented to the Board at a minimum semi-annually or more frequently as requested by the Board. (Review evidence to determine if the budget variance was presented to the board semi-annually.)	*Variance reporting was presented to the Directors as part of the draft budget discussion before the AGM on October 16, 2023. This was done using the embedded variance analysis outlined in Appendix 1 of the Governing Bylaw. Unlike the required semi-annual reporting, variance reporting was conducted only once.* *The minutes did not mention variance reporting, but the budget was presented and approved. Variance reporting was embedded in the budget template, which was completed and circulated to attendees.*	Not Compliant	

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
47	II. ANNUAL VARIANCE REPORTING ii. An annual variance report shall be presented in conjunction with the current year budget to the Members and Non-Voting Members at the annual General Meeting. (Review evidence to determine if the budget variance was presented to the membership at the Annual General Meeting.)	*Variance reporting was presented at the AGM using the embedded variance analysis outlined in Appendix 1 of the Governing Bylaw. The minutes did not mention variance reporting, but the budget was presented and approved. Variance reporting was embedded in the budget template, which was completed and circulated to attendees.*	Compliant - Evidence Based	
48	III. ANNUAL FINANCIAL STATEMENTS i. The Board is responsible to ensure that the financial information relating to each fiscal year end is provided to the auditors in a timely manner but no later than ninety days following the fiscal year end. (Review evidence to determine if the evidence was provided to the auditors within 90 days of year-end.)	*Acquired confirmation from the external auditor that information was received in February 2024 for the 2023 year-end.*	Compliant - Evidence Based	
49	III. ANNUAL FINANCIAL STATEMENTS ii. Audited financial statements are required to be presented in conjunction with the annual report to Council. (Review annual report submission to Council to determine if the financial statements were included.)	*Reporting of financial statements to the Council for the scope period had not occurred as of October 2024.*	Compliant - Evidence Based	
50	IV. RESERVE FUNDS i. Any levy that is collected and not used in a current year shall be placed in a general operating reserve to be used in a subsequent year at the discretion of the Board. (Review financial statements to determine if any levy surplus was placed in the operating reserve.)	*At the end of 2022, there was a $41,762 accumulated surplus. The 2024 budget and 2023 projected actuals circulated do not include this balance as an opening accumulated surplus. However, the budget does indicate that the 2024 projected deficit will be attributed to the accumulated surplus account.*	Partially Compliant	

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
51	IV. RESERVE FUNDS ii. At no time shall the general operating reserve reach a level that exceeds 25% of the annual year's levy. Should the general operating reserve reach a level that is in excess of this maximum amount, the Board is required to develop a plan that will expend the funds with said plan being presented as part of the annual budget submission for approval by Council. The excess funds shall be included as a revenue source in the annual operating budget for the year in which the funds will be spent in accordance with the plan. (Review reserve compliance with levy limits.)	*According to the financial statements, the reserve balance at the end of 2023 was $34,353. This is 107.4% of the annual levy, greater than the 25% threshold. No documented plan to spend the reserve funds was detected.* *The notes to the financial statements indicate a reserve for "Future development" but not a "General operating" reserve. No plan denoted as "Future development" was noted, and no specific developments were noted as planned. The depletion of reserves in 2023 appears to be due to normal operating costs (beautification, maintenance, and events) rather than specific developments.*	Not Compliant	17
52	IV. RESERVE FUNDS iv. A separate schedule of transactions made from either the general operating and specific purpose reserves from the preceding year shall be included as a document in the annual financial statements. (Review evidence of reserve transaction compliance reporting.)	*The Financial Statements include (1) an accumulated surplus on the Statement of Financial Position with a note regarding the breakout, (2) a Statement of Net Change in Financial Assets, (3) a note indicating there is a positive balance in a "Future Development Reserve" and a negative in the "Other" reserve. It is unclear what the "Other" reserve is and why it is negative. Further, to cover the in-year deficit, funds appear to be used from the "Future development" as the "Other" was in an unfavourable position at the beginning of the year. An allocation of this nature should be taken from a general operating reserve per the Governance Bylaw.*	Not Compliant	18

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
53	V. INVESTMENTS i. Where there are funds on hand in excess of current operating requirements, the Board may, in their discretion, approve the placement of those excess funds in short and/or medium term (no greater than five years) interest bearing deposits with a Schedule I bank or credit union with consideration of the following: a. Legality a. Preservation of capital b. Risk c. Liquidity (Determine if there are any investments. Where there are investments, acquire evidence of conformance with the investing requirements per the approved City bylaw (above))	*Investments are not held. No investments are listed in the annual financial statements.*	Not Applicable	
54	V. INVESTMENTS ii. Where funds are invested with a credit union, proof that the credit union meets the financial reporting requirements as defined by the Municipal Act must be obtained prior to the placement of the deposit and renewed annually through the period of time that the investment is held. (Determine if there is evidence that, where a credit union was used, the BIA assessed if the credit union meets the financial reporting requirements as defined by the Municipal Act annually or at commencement (whichever is more recent))	*Investments are not held. No investments were listed in the annual financial statements.*	Not Applicable	
55	V. INVESTMENTS iii. The term of the investment should not extend beyond the time for which the funds will be required. (Determine if the investment timeframe matches the BIA-defined timeframe need)	*Investments are not held. No investments were listed in the annual financial statements.*	Not Applicable	

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
56	V. INVESTMENTS iv. Interest received from the investment of excess funds should be deposited into the BIA general account and can be used in support of expenditures that are consistent with items included in approved budgets. (Determine if there is evidence indicating that investment interest was deposited into the BIA general account (testing of use covered elsewhere))	*Investments are not held. No investments were listed in the annual financial statements.*	Not Applicable	
57	V. INVESTMENTS v. An annual report of investments and yields shall be prepared and presented at the annual General Meeting and included in the annual report to Council. (Determine if there is evidence that a report of investments and yields was prepared and presented to both the members at the Annual General Meeting and included in the annual report to City Council)	*Investments are not held. No investments were listed in the annual financial statements.*	Not Applicable	
58	VI. BANKING AND SIGNING AUTHORITY i. The designation of a financial institution for the deposit and disbursements of funds on behalf of the BIA is the responsibility of the Board. (Review Board Minutes designating the financial institution in use during the scope period as the approved financial institution)	*Management could not provide evidence of the approval of the current institution for the majority of the scope period. However, approval of a move to a new entity was noted.*	Not Compliant	9

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
59	VI. BANKING AND SIGNING AUTHORITY ii. The disbursements of funds shall be by cheque or electronic form wherever possible/practical, and in all cases where the disbursements are in excess of $100.00 it shall be by way of cheques which shall bear at a minimum two signatures, namely that of the Chair and Vice-Chair. Alternate signing authorities may be granted to either the Treasurer and/or the Secretary who may sign a cheque in the place of a primary signature. At no time can a cheque bear the signature of two alternate signatories. Where electronic payment methods are in place, an approval process which aligns with the cheque signing process noted above shall be utilized as authorization to release payment. iv. Where a BIA utilizes the position of Executive Director, in addition to the Chair and Vice-Chair, this position may be designated by the Board as a primary signatory for banking purposes. (Acquire a listing of all payments issued in the scope period or access to all period bank statements. Identify payments over $100.00 and determine whether they were issued via cheque, as required by the governance bylaw, or if an e-transfer was used. Select a sample of payments over $100.00 and validate that approved signatories were evident on the cheque or that if e-transfer was used, there is evidence of the equivalent signature being acquired before the e-transfer date.)	*Reviewed bank statements for the period.* *At Ford City BIA, not all purchases beyond $100 were made via cheque. Instead, they were made via e-transfer or online bill payment.* *For the alternate electric payment approvals, items within the approved budget are reimbursed without acquiring additional signatories/approvals based on the approved budget. Items outside or beyond the approved budget required secondary approvals.* *As such, in the sample selected, payment approval by two of the required personnel was not detected.* *The BIA uses the position of Executive Director, and the role is designated as a signing officer.*	Not Compliant	

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
60	VI. BANKING AND SIGNING AUTHORITY iii. A business credit card may be utilized for purchases where practical. The Board is responsible to ensure that only authorized individuals are provided with a business credit card and that monthly statements are regularly reviewed and reconciled. (Acquire a listing of all BIA business credit cards. Select a sample to determine if (1) the Board approved the user to have a BIA business credit card and that the selected monthly statement samples have evidence of review and reconciliation.)	*Credit cards were not used in the scope period - the financial institution would not issue the BIA one.*	Not Applicable	
61	VI. BANKING AND SIGNING AUTHORITY v. Under no circumstances will an individual authorize any payment to or sign any agreement or other document in relation to themselves, their spouse, partner, children or step-children, parents or step-parents, grandparents or step-grandparents, siblings or step-siblings. (Review the BIA approach to enabling compliance with this bylaw element and determine the testing approach.)	*No formal control mechanisms exist for this control. Signatory awareness is the main control, with significant emphasis placed on the knowledge of the Executive Director and the Chair. Management representation confirmed this.*	Complaint - Mngmt Assertion	

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
63	VI. BANKING AND SIGNING AUTHORITY vi. Reimbursement for expenditures incurred on behalf of the BIA must be accompanied by a supporting invoice and be in compliance with the BIA's travel and business expense policy. (Select a sample of reimbursements and determine if the items were supported by receipts and complied with the BIA's travel and business expense policy.)	*Selected a sample of reimbursements for testing. Eight of ten samples included the supporting invoice. One sample missing the invoice was noted in a discussion with management. Management indicated the payment was based on (1) budget and (2) as, historically, being arranged for and paid for by one of the local businesses. That local business is the entity to which the payment was issued to reimburse their payment to the DJ.* *The BIA does not have a travel and business expense policy. Travel is not part of the BIA activities, and no travel expenses were noted in the financial statements.* *In testing compliance with the Governance Bylaw requirements, the second signatory could not be tested for approvals obtained before payment processing, as this process is not used for items within the approved budget funds. While explicit evidence of the first signatory's advance approval was not detected, initiating and processing the payment implies the signatory's approval.*	Partially Compliant	19

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
63	VI. BANKING AND SIGNING AUTHORITY vii. Bank reconciliations shall be completed and independently reviewed by the Treasurer on a regular monthly basis but no less than quarterly. Bank reconciliations shall be presented to the Board for approval. (Select a sample of bank reconciliations from the scope period and determine if there is evidence that the reconciliations were (1) prepared monthly, (2) reviewed by the Treasurer at least quarterly and (3) all presented to the board for approval.)	*Formal bank reconciliations are not prepared, as no outstanding items should exist. Deposits are promptly made, often electronically, and payments are made via e-transfer or bill pay online; as such, outstanding bank items are not anticipated.* *A financial summary is prepared and circulated.* *There was no evidence of reviewing or discussing the financial summary with the Treasurer before Board meetings. Given that bank reconciliations are not prepared, no evidence of reviewing them is available, nor is the associated approval by the Board possible.*	Not Compliant	12
64	VII. BOOKS AND RECORDS i. The Secretary shall ensure that all necessary books and records required by the Board or by any applicable law are retained and preserved in a secure manner. The Secretary shall ensure that appropriate record and retention protocols are in place to ensure the appropriate safeguarding of all records and to ensure that such books and records remain readily available for inspection by Directors, auditors and others upon the approval of the Board. ii. Under section 2(3) of the Municipal Freedom of Information and Protection of Privacy Act, records relating to the business of the Board are accessible to the public upon request. (Based on the requests made in the bylaw compliance review, determine if it appears that appropriate record and retention protocols are in place.)	*Based on the requests made in the review of the bylaw compliance review, appropriate record and retention protocols are in place for recent records. Historical records over 2 years old were more challenging to acquire or were not acquired. Several of these were corporate minutes that should have been retained.*	Partially Compliant	20

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
65	VIII. CASH HANDLING ii. Cash must be kept secure at all times – lockable cash register, safe, floor safe, locked storage, etc. The safeguarding of cash should take into account the amount of cash on hand during various periods. iii. Active cashiering or cash counting stations are not to be left unattended, at any time, without being properly secured. Physical access to cash shall be restricted to authorized personnel. (Determine if cash was held in a lockable cash register, safe, floor safe, locked storage, etc and if there are cash safeguarding protocols in place. Understand if cash may be left unattended. Acquire evidence from the BIA regarding whom has access to cash and acquire evidence of prior board approval of such access.)	*Cash was not kept on hand. The cash received was deposited the same day or the next business day. This was confirmed by management representation.*	Not Applicable	
66	VIII. CASH HANDLING iv. Special events should be adequately supervised with appropriate internal control measures in place to ensure that all funds received from the event are appropriately tracked with appropriate audit trails in place with funds immediately deposited. (Determine if the BIA has evidence that special events cash handling occurs in compliance with the bylaw)	*Cash was not kept on hand. The cash received was deposited the same day or the next business day. This was confirmed by management representation.*	Not Applicable	
67	VIII. CASH HANDLING v. The use of cash for payment of services should be limited and in no case should exceed $100. (Using system listing and inquiry determine if any cash payments were issued for over $100.00 and note the rationale.)	*Cash was not kept on hand. The cash received was deposited the same day or the next business day. This was confirmed by management representation.*	Not Applicable	

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
68	IX. BOOKKEEPING i. The use of a bookkeeper for financial record keeping is strongly encouraged and may be established by the Board. ii. Where bookkeeping services are determined to be appropriate the terms and conditions, including fees, should be evidenced through a formal agreement. (Inquire as to the use of a bookkeeper and prior board approval thereof. Where there is a bookkeeper acquire a copy of the formal agreement.)	*The BIA has long used a bookkeeper. Other than through the approval of payments, evidence that the board approved the bookkeeper's appointment/engagement was unavailable. No formal agreement of services, terms and conditions, and fees were detected.*	Not Compliant	23
69	X. REGULATORY FILINGS i. The Board is responsible to ensure that the BIA obtains any required registrations with the Canada Revenue Agency and obtains, if required, a corporate business identity number to be used for purposes of any required filings inclusive of payroll and HST. (Identify CRA registrations the BIA has through inquiry and corresponding CRA documentation.)	*A business number has been registered with CRA for HST filing purposes.*	Compliant - Evidence Based	
70	X. REGULATORY FILINGS ii. The Board must ensure that appropriate processing of any required payroll is completed in full compliance with all Canada Revenue Agency requirements relative to processing, reporting and remittances. iii. The Board is responsible to ensure that payroll implications for any services provided to the BIA are appropriately considered and managed. (Review evidence of compliance with CRA payroll reporting requirements.)	*No CRA payroll filings are required because the BIA does not have employees. The financial statements corroborate this, as there have been no payroll expenditures.*	Not Applicable	

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
71	X. REGULATORY FILINGS iv. The Board is responsible to ensure that all regulatory filings with regards to Harmonized Sales Tax are completed on a timely basis. (Review evidence of compliance with CRA HST reporting requirements.)	*Reviewed CRA HST screenshots and noted that the 2022 filing was filed within 2 months of the period's end; however, the 2023 rebate was not filed as of December 4, 2024 (11 months after the period's end).*	Compliant - Evidence Based	
72	X. REGULATORY FILINGS v. The Board must also ensure that any other regulatory filings with Canada Revenue Agency A or other level of government is completed in full compliance as defined by those entities. (Review evidence of compliance with other applicable regulatory reporting requirements.)	*No other CRA filings are required, as confirmed via management representation.*	Not Applicable	
73	XI. GRANTS ii. Where grant applications are submitted and accepted, Board approval to proceed with documentation to finalize the grant must be obtained. (Acquire a listing of all grants received from upper levels of government and determine if the board approved these before finalization and (2) if the funds were used for planned events and activities.)	*No grants were received in the scope period. The financial statements corroborate this, showing no grants receivable, grant-based revenue, or grant-based cash flows.*	Not Applicable	
74	XI. GRANTS iii. The Board is responsible to ensure that all required reporting, documentation and/or claims submission are completed in full compliance with the grant provider so as to not jeopardize the receipt of funding. (Acquire a listing of all grants received from upper levels of government and determine if required reporting to the grant provider was completed.)	*No grants were received in the scope period. The financial statements corroborate this, showing no grants receivable, grant-based revenue, or grant-based cash flows.*	Not Applicable	

	Bylaw Element (Supplemental Test Activity)	Summary of Results	Assessment	Finding Ref. #
75	Procurement Policy Review (Acquire a copy of the procurement policy and review evidence that the board has approved the policy. Review procurement policy to determine if approaches are in place to provide transparency and fairness as well as to avoid sole-sourcing, favouritism and directing funds.)	*The BIA does not have a formal policy related to procurement practices.*	Not Applicable	24
76	Hiring Policy & Practices (Acquire a copy of the Hiring Policy and Practices and review evidence that the board has approved the policy and practices. Consider if the approach may result in bias, favouritism or directed hiring.)	*The BIA does not have a formal policy related to hiring practices, nor are there any active employees.*	Not Applicable	24
77	Termination Policy & Practices (Acquire a copy of the Termination Policy and Practices and review evidence that the board has approved the policy and practices. Consider if the approach may result in bias, favouritism or directed firing and how the Board ensures compliance with employment and human rights requirements.)	*The BIA does not have a formal policy related to termination practices, nor are there any active employees.*	Not Applicable	24

Appendix B - Rating descriptions

Findings

Rating	Description
High	Significant Portion of Compliance Activity Not In Effect - Action Required
Moderate	A Portion of Compliance Activity Not In Effect - Action Required
Low	Minimal Portion of Compliance Activity Not In Effect - Action Required
Pending City Input	City Input Suggested Before the BIA Takes Action

Overall Report Rating

Rating	Description
1 – Highly Compliant	**Fully compliant and effective**: The organization has robust controls and procedures in place, consistently meets or exceeds all compliance requirements, and demonstrates continuous improvement in risk management. No significant issues or weaknesses were identified. Must meet an overall compliance rating of 80% or more for the applicable domains.
2 – Compliant	**Generally compliant with minor issues**: The organization complies with the majority of the compliance requirements and internal controls. Some minor weaknesses may exist, but they are not considered critical and can be easily rectified. Must meet an overall compliance rating of 80% or more for the applicable domains, with only minor compliance gaps.
3 – Needs Improvement	**Partially compliant**: The organization shows some gaps or weaknesses in its internal controls or compliance measures. These issues should be addressed within a reasonable timeframe to prevent material risks from emerging. In the range of 60-80% compliance for the applicable domains.
4 – Non-Compliant	**Non-compliant or significant weaknesses**: The organization is not complying with certain key requirements or has significant deficiencies in internal controls. To mitigate potential risks and comply with regulations immediate corrective action is required. Compliance is in the range of 40-60% for the applicable domains.
5 – Highly Non-Compliant	**Severe non-compliance or critical failures**: The organization is failing to meet essential compliance requirements, exposing it to significant legal, financial, or operational risks. Immediate and comprehensive corrective action is required. Less than 40% compliance for the applicable domains.