Date August 27, 2019
To Mayor and Members of City Council
From Brian Hutchings
Chief Administrative Officer

1.0 Type of Report
Consent Item [ ]
Item For Consideration [X]

2.0 Topic Update on the Audit and Accountability Fund
[FInancial Impact: None]

3.0 Recommendation
THAT Report 2019-524 regarding the Update on the Audit and Accountability Fund BE RECEIVED.

4.0 Purpose and Overview
The purpose of this report is to update Council regarding the City of Brantford’s successful application to the Province of Ontario’s Audit and Accountability Fund in the amount of $149,940. Services from KMPG have been contracted to conduct a comprehensive review of Municipal services. This report will outline the use of funds, scope of work, timelines, and reporting requirements associated with the service review.

5.0 Background
This report is coming directly to Council, in accordance with Chapter 15, Section 15.3.11(a) of the City of Brantford Municipal Code (Procedure By-law). This report has been deemed urgent by the Chief Administrative Officer. Staff needs to start working on this now in order to meet the restrictive and unavoidable reporting time constraints, which cannot be achieved by presenting a report to Committee of the Whole during the September meeting cycle that wouldn’t receive final approval by City Council until later that month, being one week before the Interim Report is to be presented.

The City of Brantford sought funding from the Audit and Accountability Fund in June 2019 and expected to hear back from the Province by July 2019. Ultimately, the Province was delayed in notifying the successful applicants and the City was not notified until August 8th, 2019. Despite delays, the required third party consultant report, outlining the results of the Service Review, remains due to the Province and must be posted on the City’s website by November 30th, 2019. Staff felt that this update should come before Council as soon as possible for consideration.

The Province established the Audit and Accountability Fund in May 2019 to assist municipalities to review operations with the goal of finding service delivery efficiencies.

In June 2019, staff brought forward Report 2019-369 regarding the Provincial Budget Impacts, seeking direction to pursue funding opportunities under this Fund, as outlined below:

A. THAT Report 2019-369 regarding the impacts of the Provincial Budget BE RECEIVED; and

B. THAT Staff BE DIRECTED to submit an Expression of Interest under the Audit and Accountability Fund seeking grant funding for the provision of a services review prior to the deadline of June 30, 2019; and

C. THAT should the provincial contribution to the City be less than 100% of the cost of the services review, the balance to a maximum of $100,000 BE FUNDED from the Council Priorities Reserve (RF0558); and

D. THAT the General Manager, Corporate Services/City Treasurer BE DELEGED authority to enter into the required Transfer Payment Agreement should the City be successful with its application to the Audit and Accountability Fund.
All recommendations in Report 2019-369 were approved by City Council on June 25, 2019. Brantford City Council also identified an external review of operations and services as a key priority for 2019-2020 in Report 2019-384.

6.0 Corporate Policy Context


7.0 Input From Other Sources

KMPG, ELT, SMT, Communications and Community Engagement

8.0 Analysis

Staff submitted an Expression of Interest to the Audit and Accountability Fund in June 2019 to secure funding to conduct an external review of services. As outlined in Report 2019-369, staff used the Ministry of Government and Consumer Services – Vendor of Record (VOR) to solicit bids from multiple vendors that were pre-qualified to perform the required services. Of the vendors that staff approached under the Vendor of Record, KMPG was the successful vendor.

Upon being notified of a successful application to the Audit and Accountability Fund, staff reached out to KPMG to confirm their commitment. The Services of KPMG have been contracted to conduct a comprehensive review of The City of Brantford’s services over the next twelve to fourteen weeks, with the final report to come before Council at their November 26th Council meeting. All agreements with the Province have been signed and returned to the Ministry of Municipal Affairs and Housing for execution.

An interim Report will be provided to Council in the October 2019 cycle. KPMG’s final report will be publicly submitted to the City on or before November 30, 2019. A final funding report detailing expenditures and results of the Service Review will be prepared by staff and submitted to the Province on December 13, 2019.

Staff has reviewed the scope of services and timelines with KPMG. Due to time restraints, the timelines for key project milestones have been adjusted. The Services determined to be out of scope for this project includes Police and Fire, in addition to services provided by Local Boards. As per the Province’s direction, no front line services are to be included as part of the Service Review.
The primary purpose of this exercise is to better understand the City’s current service deliverables and identify opportunities for improvement and efficiencies.

KPMG’s primary objectives are to provide an analysis of the City’s services in context with other like size municipal organizations, explore opportunities to implement leading best practices, and provide recommendations for implementation based on short-term, mid-term and long-term priorities.

This exercise is not a deep-dive operational review, but rather a process to identify opportunities for further consideration.

The scope of work that will be undertaken during this review includes:

- the development of Service Profiles outlining key information and details about each service included in the review;
- service benchmarking against comparator municipalities, and analysis of key factors including costs, appropriateness, and best practices;
- identification of a wide range of opportunities for improvements including potential service updates, or efficiencies;
- the development of key recommendations that could include adjustments to service levels, business process updates, streamlining services, the introduction of new technologies, and modernization opportunities;
- the development of an implementation plan including a prioritization criteria to evaluate recommendations, and an outline of required steps for recommendation implementation; and
- a final report detailing all deliverables required for this project.

KPMG began kick-off meetings with senior management during the week of August 19th, 2019, and will be interviewing several frontline and management level staff and engaging Members of Council throughout early September. The consultants will develop service profiles; and conduct benchmarking and analysis culminating in an interim report to Council in early October.

The knowledge and expertise of City employees and members of Council will be fully engaged to inform recommendations through a transparent, participative, collaborative and inclusive process.

A final report will detail the results of the Service Review and highlight key recommendations and an implementation plan. The final report will be presented
at a Special Council meeting on November 26th in order to meet compliance with the Provincial deadlines. The report will be submitted to the Province and posted on the City website by November 30th, 2019. A final funding report detailing expenditures and service review results will be prepared by Staff and submitted to the Province by December 13, 2019.

The service review will follow a timeline as shown below:

A draft project charter, developed by KMPG, has been reviewed by senior level staff, and is included for Council’s review as Appendix A.

8.1 Communications Plan

As accountability and transparency with both staff and the public are central to the City’s approach to managing the City budget, we always strive to find the appropriate balance between exploring measures to reduce budget pressures/tax increases, while ensuring that vital City programs and services are not compromised.

To ensure that both staff and the public are well informed of this process, Communications and Community Engagement staff will launch a Communications plan to staff during the week of August 17th including all staff communications from the CAO explaining the purpose and objectives of the process in addition to a dedicated webpage on the City’s intranet, Citynet and a series of regular updates to staff to coincide with timing of key benchmarks throughout the exercise.

Media Releases outlining the purpose and intended outcome of the Service Review and next steps at its conclusion will also be shared with local media and the public at large through the City’s various digital platforms.
9.0 Financial Implications

The City of Brantford was awarded $149,940 from the Province of Ontario’s Audit and Accountability Fund to conduct a service review. The full cost of the review is expected to be covered by the Province.

10.0 Conclusion

As a single tier Municipality, without the opportunity to leverage services provided to a region at large, we feel budget pressures more acutely. The purpose of the Service Review is to provide an objective understanding of the City’s deliverables of services, and to identify opportunities for improvements, and efficiencies. Consulting services through KPMG were acquired through the Vendor of Record, who began meeting with staff August 19th, 2019. KPMG will report back to Council with an interim report in October 2019, and a final report with recommendations in November, 2019. In accordance with provincial directive, a final draft of the Service Review is due to the Province and must be posted on the City’s website by November 30th.

Aja Peterson, Manager of Corporate Initiatives
Brian Hutchings, Chief Administrative Officer
Joelle Daniels, Director of Finance

Attachments (if applicable)
City of Brantford SDR Project Charter

In adopting this report, is a by-law or agreement required? If so, it should be referenced in the recommendation section.

By-law required [ ] yes [ ] no

Agreement(s) or other documents to be signed by Mayor and/or City Clerk [ ] yes [ ] no

Is the necessary by-law or agreement being sent concurrently to Council? [ ] yes [ ] no