



**FINANCE AUDIT COMMITTEE
AGENDA**

April 12, 2017

4:30 p.m.

Cariboo Regional District Board Room

Suite D - 180 Third Avenue North

Williams Lake, B.C.

Pages

1. CALL TO ORDER

(The meeting is scheduled to commence at 4:30 p.m.)

1.1 Adoption of Agenda

That the agenda items be adopted as presented.

2. ADOPTION OF MINUTES

2.1 Finance / Audit Committee Minutes - February 8, 2017

1 - 2

That the minutes of the Finance / Audit Committee meeting, held February 8, 2017, be received and adopted.

3. REPORTS AND CORRESPONDENCE

3.1 Amendments to Directors' Remuneration and Expenses Bylaw

3 - 7

That the agenda item summary from Scott Reid, Chief Financial Officer, dated April 4, 2017, regarding amendments to the Directors' Remuneration and Expenses Bylaw, be received.

Further, that Cariboo Regional District Directors' Remuneration and Expenses Bylaw No. 5055, 2016 be amended to include an Interpretation and Application section identifying the CRD Finance Chair as the person responsible for reviewing and approving Directors' Remuneration and Expense Reports.

Further, that the Committee identify the process and entity responsible for dispute resolution in the event of a disagreement between the Finance Chair and a member of the Cariboo Regional District Board with respect to interpretation and application of the Directors' Remuneration and Expenses Bylaw No. 5055, and resolve that the bylaw be amended accordingly.

Still further, that staff make the necessary changes to Cariboo Regional District Directors' Remuneration and Expenses Bylaw No. 5055, 2016 and bring the amended bylaw forward to the Board for consideration.

3.2 Terms of Reference – Library Program and Services Review

8 - 17

That the agenda item summary from Wanda Davis, Manager of Library Services, dated April 5, 2017, and attached Terms of Reference for a Library Program and Services Review, be received. *Further action at the discretion of the Committee.*

4. DISCUSSION ITEMS

4.1 Potential Bylaw regarding Eligible Claims for Attendance at an Executive Committee Meeting

4.2 Remuneration for TNRD Director Attendance at Hospital Meetings

4.3 Facilitation of Separate Meeting and Remuneration Submissions

5. ADJOURNMENT

That the meeting of the Finance/Audit Committee be adjourned at TIME, April 12, 2017.



**FINANCE/AUDIT COMMITTEE
MINUTES**

February 8, 2017

9:30 a.m.

**Committee Room, Cariboo Regional District
Suite D - 180 North Third Avenue
Williams Lake, BC**

PRESENT : Chair M. Wagner, Director J. Sorley, Director J. Bruce,
Director J. Massier, Director A. Richmond

ABSENT : Director B. Simpson

STAFF : J. Bell, Chief Administrative Officer, S. Reid, Chief Financial Officer,
L. Schick, Deputy Corporate Officer

1. CALL TO ORDER

1.1 Adoption of Agenda

FAC.2017-2-1

Moved by Director Massier

Seconded by Director Sorley

That the agenda items be adopted as presented.

Carried Unanimously

2. ADOPTION OF MINUTES

2.1 Finance/Audit Committee Minutes - July 11, 2016

FAC.2017-2-2

Moved by Director Bruce

Seconded by Director Massier

That the minutes of the Finance/Audit Committee meeting, held July 11, 2016, be received.

Carried Unanimously

3. DISCUSSION ITEMS

3.1 Value for Money Audit for Library Services

FAC.2017-2-3

Moved by Director Bruce

Seconded by Director Sorley

That staff prepare a draft Terms of Reference for a Request for Proposals for a Library Program and Services Review, for discussion at the next meeting of the Finance Audit Committee meeting.

Carried Unanimously

4. ADJOURNMENT

FAC.2017-2-4

Moved by Director Sorley

Seconded by Director Bruce

That the meeting of the Finance/Audit Committee be adjourned at 10:30 a.m., February 8, 2017.

Carried Unanimously

Chair

Corporate Officer



Date: 04/04/2017

AGENDA ITEM SUMMARY

To: Chair and Directors, Finance/Audit Committee

And To: Janis Bell, Chief Administrative Officer

From: Scott Reid, Chief Financial Officer

Date of Meeting: Finance Audit Committee_Apr12_2017

File: 3900-20-5055

Short Summary:

Amendments to Directors' Remuneration and Expenses Bylaw

Voting:

-

Memorandum:

The following resolution was passed at the March 24th, 2017 meeting of the CRD Board of Directors:

That the agenda item summary from Alice Johnston, Corporate Officer, dated March 14, 2017, regarding a request from Director Forseth for amendments to the Board's remuneration bylaw, be received. Further, that staff forward a report to the April 13th Finance/Audit Committee addressing Director Forseth's concerns.

Two issues are raised by Director Forseth in his memorandum, a copy of which is attached.

The first issue relates to the authority and responsibility for reviewing and authorizing remuneration and expense amounts claimed by Directors. In the past, Directors' expense and remuneration reports were submitted to, reviewed, and approved by, finance department staff. The CRD's auditors, in response to a request from the CRD Finance Chair for a list of recommended responsibilities, suggested that the Finance Chair would be the appropriate person to review and approve Directors' Remuneration and Expense Reports. The CRD adopted this procedure, though failed to include reference to it in the Remuneration and Expenses Bylaw which was, and still is, silent with respect to the review and approval process.

The second issue relates to the lack of an appeal process where there is a disagreement in the interpretation of the Remuneration and Expenses Bylaw between the Director submitting the remuneration and expense report and the Finance Chair responsible for reviewing and approving the submitted report. The Directors' Remuneration and Expenses Bylaw has been silent with respect to an appeal process since its inception.

CRD staff agree that amending the bylaw, to formally recognize the Finance Chair's authority to review and approve Directors' Remuneration and Expense Reports, is advisable and required.

CRD staff further agree that an appeal process for dispute resolution in the event of a disagreement in interpretation of the bylaw should be developed by members of the Finance/Audit Committee. Director Forseth's memo suggests that the Executive Committee of the Cariboo Regional District be assigned the task of resolving disputes relating to expense and remuneration submissions. Alternatively, the Finance / Audit Committee (or other body identified by the Finance / Audit Committee) could be made responsible for dispute resolution. Once the appropriate body is defined, the process should be outlined in the Directors' Remuneration and Expenses Bylaw.

A new **Section 4 – Interpretation and Application**, could be added to the Directors' Remuneration and Expenses Bylaw to accommodate both requirements. The existing **Sections 4 through 9** of the bylaw would have to be renumbered to suit.

Attachments:

Memorandum – Amendment of Bylaw # 5055 – Directors' Remuneration and Expenses

Financial Implications:

None

Policy Implications:

As outlined

Alignment with Strategic Plan:

- Ensuring Sufficient and Sustainable Funding
- Building on our Relationships
- Providing Cost Effective High Quality Services
- Focusing on Being Well Governed

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CAO Comments:

Concur

Options:

- 1) Receipt
- 2) Endorse recommendation
- 3) Receipt and other action
- 4) Defer

Recommendation:

That the agenda item summary from Scott Reid, Chief Financial Officer, dated April 4, 2017, regarding amendments to the Directors' Remuneration and Expenses Bylaw, be received.

Further, that Cariboo Regional District Directors' Remuneration and Expenses Bylaw No. 5055, 2016 be amended to include an Interpretation and Application section identifying the CRD

Finance Chair as the person responsible for reviewing and approving Directors' Remuneration and Expense Reports.

Further, that the Committee identify the process and entity responsible for dispute resolution in the event of a disagreement between the Finance Chair and a member of the Cariboo Regional District Board with respect to interpretation and application of the Directors' Remuneration and Expenses Bylaw No. 5055, and resolve that the bylaw be amended accordingly.

Still further, that staff make the necessary changes to Cariboo Regional District Directors' Remuneration and Expenses Bylaw No. 5055, 2016 and bring the amended bylaw forward to the Board for consideration.

Cariboo Regional District
Memorandum

To: Chair/Directors', Cariboo Regional District Board

From: Director S. Forseth

Date: March 12th, 2017

Re: Amendments to CRD Bylaw #5055 – Directors' Remuneration/Expenses Bylaw

PURPOSE:

To contemplate amendments to CRD Bylaw #5055 – Directors' Remuneration/Expenses Bylaw in regards to delegating authority to Finance/Audit Committee Chair to both review/approve/modify submitted expense claim forms & establish an appeal process where a Director(s) and the Finance/Audit Committee Chair disagree with respect to submitted expense claim forms

BACKGROUND/DISCUSSION:

During a recent review of a submitted expense claim form from myself – it was discovered by myself that there may be a couple of flaws in our Directors' Remuneration/Expenses Bylaw that the Board may wish to consider correcting:

- 1) Delegation to Finance/Audit Committee Chair to review/approve/modify Expense Claim Forms

As the Board is aware, the current practice is for Directors' to submit their expense claim forms to the Finance/Audit Committee Chair for review/approval/modification, who is currently Director Margo Wagner. However, the Directors' Remuneration/Expenses Bylaw does not directly specify this currently and from a risk management point of view, the risk to the organization is low, in my view, however it should be spelled out so it is properly captured in case there is any issue in the future

- 2) Appeal Process – Dispute between Finance/Audit Committee Chair & Directors' as to submitted expense claim forms

As described above – the Directors' Remuneration/Expenses Bylaw is currently silent on both who approves expense claim forms of Directors' and also a process if a disagreement results of a decision of the Finance/Audit Committee Chair as to an expense claim form. My recommendation to the Board would be that should a dispute occur – the appeal process would be to the Executive Committee whose decision would be final/binding. While my predecessor would often disagree as to expense claim forms with the past Finance/Audit Committee Chair, a clear process as to approving expense claim forms and a dispute resolution process is part of good governance as to our financial procedures, in my opinion

While it is true that the external auditors' or the CFO have not previously flagged this for the Board's attention – these 2 minor amendments would improve the procedures as Directors' Expense Claim Forms. I have reviewed this matter, both with Director Wagner/CAO Bell in preparing this memorandum for the Board's consideration

- 1) Receipt;
- 2) Receipt and request amendments to bylaw;
- 3) Defer;
- 4) Receipt and other action.

Recommendation:

That the agenda item summary from Alice Johnston, Corporate Officer, dated March 14, 2017, regarding a request from Director Forseth for amendments to the Board's remuneration bylaw, be received. *Further action at the discretion of the Board.*



Date: 05/04/2017

AGENDA ITEM SUMMARY

To: Chair and Directors, Finance / Audit Committee

And To: Janis Bell, Chief Administrative Officer

From: Wanda Davis, Manager of Library Services

Date of Meeting: Finance Audit Committee_Apr12_2017

File: 600-20

Short Summary:

Terms of Reference – Library Program and Services Review

Voting:

-

Memorandum:

In response to a resolution from the February 8, 2017 meeting of the Finance / Audit Committee, the attached Terms of Reference for a Library Program and Services Review is attached for the Committee’s consideration.

Attachments:

Terms of Reference for a Library Program and Services Review

Financial Implications:

None at this time

Policy Implications:

n/a

Alignment with Strategic Plan:

- Ensuring Sufficient and Sustainable Funding
- Building on our Relationships
- Providing Cost Effective High Quality Services
- Focusing on Being Well Governed

[Click here to enter text.](#)

CAO Comments:

Concur

Options:

- 1) Receipt
- 2) Receipt and further action
- 3) Defer

Recommendation:

That the agenda item summary from Wanda Davis, Manager of Library Services, dated April 5, 2017, and attached Terms of Reference for a Library Program and Services Review, be received.
Further action at the discretion of the Committee.

Terms of Reference for a Library Program and Services Review

Background Information and Rationale

Rationale for the evaluation

This evaluation has been initiated by the Cariboo Regional District Board of Directors – Finance/Audit Committee, which is responsible for undertaking departmental or function audits in accordance with the approved annual plan of the Committee. Library Services is the Function chosen for review during this time period.

One of the responsibilities of the Finance/Audit Committee is to undertake departmental specific audits “to ensure that services are delivered with due regard to economy, efficiency and effectiveness; and that the programs, function and activities are achieving the desired results.”

“In undertaking operational/performance audits, the Committee will consider:

- How the service relates to the corporate goals and objectives;
- Whether or not there are better service delivery mechanisms that can achieve the corporate objectives at a lower cost;
- Whether or not the service is meeting the needs and expectations of the clients
- Whether or not there are unrealized revenue sources;
- Whether or not there are opportunities to improve the quality of service without increasing the costs, and;
- The degree of risk associated with the service, including the potential exposure to consequences for failing to meet those objectives.”

Decisions that will likely be influenced by the findings include funding, service model changes, infrastructure changes and reallocation of staffing.

Current purpose of CRD Library Services?

To support the goals and objectives of the Cariboo Regional District by providing public library services to residents and visitors to the region.

Objectives of Library Services in the CRD?

To provide high quality public library services throughout the region.

To provide physical spaces that people can visit to access library services in their own community.

To provide a portal to library resources, both physical and digital, via the library’s online catalogue and website.

What are the intended outcomes (the desired results) of offering Library Services in the CRD?

That people throughout the region will have the tools available to help them be well-informed, well-rounded individuals who are able to make a positive contribution to their community.

History of Library Services in the Cariboo Region and how they have changed

Library services in the Cariboo Region are currently accessed through 15 staffed branches located throughout the Region. Branches located in the three largest urban areas (100 Mile House, Williams Lake and Quesnel) are open to the public Tuesday through Saturday. The 12 branches located in rural communities are open between 8 and 12 hours per week.

The three urban branches have been completely renovated over the last 20 years. The 12 rural branches are in a variety of rental situations depending on what is available in the various communities. Because of this, the size of these branches varies. At present, five rural branches are located in or on the property of elementary schools. Five branches are located in rental space in community centres. Two branches are located in single-purpose, free-standing buildings. Unfortunately, rental spaces that are appropriate for modern library services are not in abundance in rural areas.

The breadth of library services offered in rural branches has expanded over the past 20 years. Rural branches once had books chosen for them by others and staff merely received the deliveries and checked books out manually. Rural staff now have control over their own selections and choose material based on community interest within a set budget. All branches offer free internet access, including wifi. Rural library staff are expected to be as knowledgeable about available library services as staff in urban branches and to have similar skillsets. People expect the same level of service and access to the same services in rural branches that they can access in urban branches. This expectation is met as much as is possible. The only service that has lagged behind in rural branches is programming, which is restricted by the number of opening hours.

The way physical space in public libraries is used in the Region's branches is beginning to change. Juvenile non-fiction books and Reference books that once were purchased for and used by elementary school children to complete research assignments have been replaced by online resources. However, the amount of space in demand for other uses is increasing. Dynamic programming for all ages, meeting space, and sitting areas where people can access wifi and recharge devices are current expectations of library space. While space has always been provided for these uses in urban branches, this has not always been the case in rural branches.

Spending on collections has changed with the current focus on digital resources. However, not everyone is ready to make the complete transition to digital resources so the Library continues to purchase and maintain collections of print material as well as digital. In fact, many people make use of both print and digital resources and expect the library to provide access to both.

Trends that are or may affect Library Services in the Cariboo

Technology

- **BYOD (Bring your own device) / Mobile users**
 - o As the number of personal devices that can access the internet has increased, people are relying less on the library's computers and are bringing their own devices to the library where they expect to find free wifi access, outlets to re-charge the batteries in their devices, and online services such as downloadable ebook, eaudio,

video streaming and online magazines. This trend has reduced the lineups of people waiting to use the library's computers, although they still are in great demand by those who cannot afford their own devices and the expensive data packages that are required to run them.

- An increasing number of people access the library's digital services on their mobile devices. We need to constantly consider what our mobile users need in order to access our services. This includes the use of apps, and web pages designed to be read on mobile devices (ours is not).
- **Digital Preservation**
 - The urban branches all have archival material that could be digitally preserved and added to the upcoming Provincial Digital Library so it can be accessed remotely.
- **Digital Library Cards**
 - Some urban libraries permit patrons to carry their library card barcode in digital form on a cell phone and have purchased special barcode readers to read them. Those people expect that any library in BC will also be able to read those barcodes from their cell phones and have stopped carrying their library cards. This is an issue because the BC OneCard service requires that people show both a valid library card and identification when using library services away from their home library. It may soon be incumbent on the CRDL to purchase barcode readers that are capable of this technology.

Measurement (Measuring for Improvement and Impact)

- **Outcome-Based (or Evidence-Based) Evaluation**
 - Libraries are currently working to find better ways to measure library use. Traditionally, library use was measured by how many items were circulated and how many people attended programming. However, library use is much more than circulation since many people who use public library spaces may not ever check out a book or even have a library card. Yet they are heavy library users. Particular attention is now being paid to how useful the public finds library services, how those services have made a change in their lives and if those were the changes that were intended. BC public libraries are now required to write their Annual Provincial Grant Reports from this perspective. CRD Library Services is in the process of implementing Outcome-Based Evaluation for its programming.
 - Provincial library statistics reporting now includes counting the use of various digital resources used in the library, such as wifi and digital database use. Eventually the CRDL will need to purchase commercial-grade routers to replace the home-grade routers now in use that cannot track this information.

Partnering

- The current trend of libraries in different geographic areas working together on joint projects in order to share ideas and save money has been very beneficial to the CRDL. The

CRDL currently partners with public libraries in north-central BC through the North Central Library Federation, with public libraries across the province through the BC Libraries Cooperative, and with the Province of BC through Libraries Branch to obtain a variety of services that the CRDL would not be able to afford on its own.

- Benefits include provincially negotiated licensing rates for digital resources, subsidized staff training opportunities, visits from well-known Canadian authors, and visits from various groups that travel from library to library offering specialized programming (Lego Robotics in 2015, MakerMobile in 2016).
- Branch staff partner with various local community groups to provide a wide array of programming, including one-on-one Technology Training, Chess Club and Ancestry Club.

Programming (MakerSpaces, robotics, coding, gaming) space requirements

- Programming is more dynamic, creative, and technology-related. It requires that staff think of new ways to engage library users to bring out their creativity and sense of fun.

Lending 'Things'

- This is a growing trend in which Cariboo libraries have not yet participated, although several people have approached a branch to discuss donating musical instruments for lending. Many other libraries in BC are now lending 'things' and it seems only a matter of time before Cariboo libraries do as well. It should be said that most libraries do this in partnership with outside funders and not as part of the regular library budget.

On-line training options

- The plethora of training that is currently available online is providing Library Services with excellent options for staff training; some which require payment and some that are free of charge.
- Many libraries are adding databases of digital training courses to their collections which are available to the public as well as to staff. The CRD Library Services is currently considering the options that are available.

Social and Economic Context of Library Services and its Branches

One of the social factors that is having an impact on rural library branches currently is the decline in the number of children in rural communities. The demographic composition of communities has a big impact on what types of material are purchased by branches and what kinds of programming are developed. Branches need to pay close attention to these changing demographics so they can adjust the composition of their collections and their programming to their particular community.

All of the branches located in elementary schools are currently at risk as the number of students at rural elementary schools is in decline and the schools are in danger of closure.

Roles and responsibilities of various key stakeholders in designing and implementing Library Services in the CRD.

- **Public:** as consumers of the service, their role is to communicate, through various public engagement opportunities, what they like, don't like, and what they expect from Library Services in the Cariboo Region.
- **CRD:** as the agency with primary responsibility for the provision of library services in the region; its role is to fund and operate the service .
- **Staff:** as the day-to-day public face of Library Services, they are responsible for being knowledgeable about all aspects of the services that are available to the public and for providing access to those services at the community level.
- **Libraries Branch, Province of BC:** as a funder of the service, they provide annual operating and other grants, and professional support to staff.
- **NCLF (North Central Library Federation):** provides professional support for staff and financial support for various programming initiatives, networking opportunities, opportunities for resource sharing.
- **BC Libraries Cooperative:** provides professional support for staff, hosts the ILS used by the CRDL, negotiates preferential rates for digital resources on behalf of BC, and much more.
- **Government of Canada:** provides limited funding for specific projects.

Criteria that will be used to measure performance in the area that is being audited.

- Library use (circulation statistics, public computer use, programming statistics, # of in-person visits, resource sharing statistics, etc.)
- Other criteria, as identified by the consultant.

Evaluations that have been conducted on Library Services to date.

- The last public consultation was conducted in 2012.
- Outcome-Based Evaluation of library programs is currently being introduced. Once fully introduced, this method of evaluation will become the normal, ongoing method of evaluation for library programming in the Cariboo.
- A report on space requirements for rural branches was endorsed by the CRD Board in 2016.

Objective(s)/Scope of the Evaluation

Specific evaluation question(s).

- Is the CRD still getting good value for money for library services in the Cariboo
- What are the implications of current library trends and the state of library facilities on the 10-year Financial Plan
- Is the service relevant to the corporate goals and objectives of the CRD
- Are there better service delivery models that can achieve the corporate objectives at a lower cost?
- Are library services that are offered meeting the needs and expectations of its clients?
- Are there unrealized revenue sources?

- Are there opportunities to improve the quality of library services without increasing the costs?
- What is the degree of risk associated with the service, including the potential for failure to meet service objectives and the potential exposure to consequences for failing to meet those objectives?

Intended users and stakeholders of the evaluation

- Finance/Audit Committee
- CRD Board of Directors
- CAO
- Manager of Library Services

Time period to be studied

- Current, with the aid of use statistics from the past 5 years.

Approach and Methodology

The overarching methodological framework should consist of mixed methods of data collection, including but not limited to:

- Statistical analysis of outputs as gathered by library staff and reported to Libraries Branch as part of the Annual Report of Statistics.
- Different types of surveys to determine positive and negative outcomes of library services in the Cariboo Region during the past year. The surveys should be designed to gather information from library users, library and CRD staff, identified stakeholders and non-users of library services.
- A review of provincial, national, and international library trends and how they are affecting local library services at present, and how they might affect local library services in the future.
- Other methods of gathering relevant information as may be known to the evaluator
- Face to face interviews with a selection of library staff
- In person visits to at least two Area Branches and a small selection of Community Branches (2 or 3).

Governance and Accountability

A detailed evaluation plan should be presented to and approved by the Finance/Audit Committee prior to beginning work. The results of the evaluation and any products resulting from it become the property of the Finance/Audit Committee.

The Committee will provide any necessary support for the evaluation including cover letters for data collection and site-visit coordination.

Guiding Principles and Values (final list to be determined by the Committee)

Tenets that should guide the study

- Transparency of data collection methods
- Cost-effectiveness
- Collaboration
- Hiring of local consultants
- Involvement of local agencies
- Confidentiality
- Anonymity of participants

Practices expected of the consultant

- Confidentiality of data
- Anonymity of responses
- Data should be made available in a usable format (digital and print)
- Adherence to FOIPPA

Professional Qualifications

The consultant should provide a curriculum vitae, references, examples of evaluation reports recently completed, and the methodology to be used for data collection.

The Lead should have extensive knowledge of library services, preferably in British Columbia. The Lead should have completed a Master of Library Information Services degree from an ALA accredited institution.

Deliverables and Schedule (final list to be determined by the Committee)

Outputs and reporting requirements expected:

- Written report which includes an executive summary
- All raw data collected, and the analysis/interpretation of the data
- Copies of all surveys, etc. used to collect data
- Strengths and weaknesses of current Library Services in the Cariboo Region
- Suggestions for improvement in current Library Services that would help meet the needs and expectations of identified stakeholders
- Written in English
- Methodology used for data collection and analysis
- Evaluators should inform the Committee whenever an identified milestone has been reached

The consultant should propose a realistic timeframe for the project overall and identify significant milestones throughout the project and a proposed timeline for each.

Procurement Details (to be determined by the Committee)

As suggested by the Manager of Procurement

Additional References or Resources

BC Annual Survey of Public Library Statistics (BC CountingOpinions)

CRD website (www.cariboord.ca)

CRD Library website (www.cln.ca)

CRD Facebook page (www.facebook.com/caribooregion)

Williams Lake Branch Facebook page (www.facebook.com/WilliamsLakeLibrary)