

Attachment 1

Calgary Police Commission – Annual Update to City of Calgary Audit Committee

July 22, 2021

Commission Governance Structure

1. *A brief outline of your organization's governance structure including board committees, term lengths and limits, skills matrix, evaluation, succession and recruitment planning for all positions.*

The Calgary Police Commission is accountable to Alberta Justice and Solicitor General. The Province sets the standards for effective policing in Alberta and the requirements and responsibilities for police commissions, Public Complaint Directors, municipalities, and police services.

The Police Act provides for the City to establish a municipal commission. The Calgary Police Commission operates in accordance with the City's Calgary Police Commission bylaw. The bylaw reiterates and refines the responsibilities of the Commission, and outlines duties and procedures, including for the creation and appointment of members.

City Council appoints members to the Calgary Police Commission, drawing upon the expertise and experience available in the community. Appointments are two-year terms to a maximum of 10 years. The City's appointment process involves an annual call for citizen applicants and selection of new members by City Council is informed by a skills matrix that identifies the experience and qualifications needed to support the Commission to fulfill its responsibilities to:

- Provide oversight of the Calgary Police Service budget and allocation of funds from city council,
- Ensure CPS has sufficient resources to carry out its mission to keep our city safe, to preserve public peace, and to prevent crime
- Support diversity, equity, inclusion and progressive leadership at CPS,
- Ensure CPS has effective policies, procedures, and reporting practices in place, such as Calgary's community policing model and the plan to achieve gender equity and diversity within the police service,
- Monitor and oversee the public complaint process, which also involves decision-making functions as directed by the Police Act,
- Represent the concerns of the community and hold CPS accountable for effectively managing the organization and maintaining the confidence of citizens.

Examples of priority skills/experience include board governance, financial management, risk management, public policy and human resources.

Commission work is supported by four standing committees: Governance & Personnel, Finance & Audit, Complaint Oversight and a newly created Anti-Racism Committee.

Succession planning involves an annual process by a nominations committee to identify which roles are available and who has an interest in each role. The positions of chair, vice-chairs and committee chairs are filled annually based on a recommendation from the nominations committee after consideration of the results of an annual self and peer assessment, interest, experience, and training. Members are provided with development opportunities through formal training and experiential practice. Training

opportunities are available in-house and through the Institute of Corporate Directors, the Alberta Association of Police Governance, and the Canadian Association of Police Governance as well as through external partners contracted on priority topics like meeting facilitation, anti-racism, unconscious bias and Indigenous relations.

[Attached: CPC Annual Report to the Commission]

2. *Specific to your organization's board committees:*

- a. *What is the frequency of review of the compositions and terms of reference and are there any recent changes to the committee terms of reference?*

The terms of reference for all committees are reviewed once/year, including establishing terms of reference for a new anti-racism committee. In 2021, the terms of reference of the Finance & Audit committee were revised to more clearly outline the key areas of responsibility. [Attached: CPC F&A committee terms of reference]

- b. *What frequency does the board's governance committee regularly assess board composition to ensure the board has the requisite skills, competencies, diversity and independence to provide oversight required?*

This process is conducted once/year and shared with the City to inform its appointment/reappointment process.

- c. *What is the current composition of the Finance & Audit committee including relevant financial experience?*

Theresa Roessel, CPA, CA (March 2020-present)

Commissioner Roessel is an experienced finance executive who has led large global teams through strategic, collaborative leadership and proactive approaches to complex business issues. After spending 18 years with Nexen Energy, including as VP and Controller, she transitioned to a position as Chief Financial Officer at the Calgary Zoo where she leads accounting, IT, treasury, planning and risk management.

With a passion for improving the community, Commissioner Roessel has applied her expertise as a previous chair of the finance committees at YouthLink Police Interpretive Centre and Hockey Calgary. Her position on the YouthLink board gave her an appreciation for community-based policing and the importance of prevention programs. She currently also sits on the board of the Canadian Red Cross.

She graduated from the University of Calgary with a Bachelor of Commerce.

Kim Lynch Proctor, CPA, LL.B, LL.M, ICD.D (March 2020-present)

Commissioner Lynch Proctor has 20 years of executive, legal, accounting and governance experience, including as Chief Financial Officer and General Counsel of an energy sector private equity firm where she had oversight over financial reporting, legal and tax matters. She is a director of Paramount Resources Ltd., a publicly-traded liquids-focused Canadian energy company where she chairs the audit committee and is a member of the reserves and governance committees.

Her educational background includes a Master of Laws with a focus on US tax, a Bachelor of Laws, a Bachelor of Commerce in Accounting, and a CPA designation. She has also obtained the ICD.D designation from the Institute of Corporate Directors.

Commissioner Lynch Proctor is a dedicated community volunteer. She is a Director and chair audit and risk committee for the Calgary Youth Justice Society, a not-for-profit organization that provides strength-based counseling to at-risk youth and is a former director and secretary of the YWCA Calgary.

Heather Campbell, P. Eng, LLM (Nov 2020-present)

Heather Campbell has had a diverse twenty-five year energy career with technical, policy, and business roles in a full range of energy industries. She is currently the Executive Director, Clean Technology with Alberta Innovates.

Commissioner Campbell holds a Bachelor of Engineering Science degree in Biochemical and Chemical Engineering from the University of Western Ontario (Western University) in addition to a Master of Laws in Energy Law and Policy from the University of Dundee. She is a licensed Professional Engineer practicing in Alberta, Canada.

Commissioner Campbell is an engaged, lifelong community volunteer, actively sharing her talents, resources and time by participating and often leading a purposely diverse range of organizations. She is a board director with Calgary's performing arts centre Arts Commons, a member of the Advisory Council for Western Engineering and the People's Warden at St. Stephen's Anglican Church in Calgary. She is also the former co-chair of Alberta's Anti-Racism Advisory Council.

George Chahal (Nov 2020- present)

Councillor Chahal was elected to represent Ward 5 communities in 2017, the most culturally diverse quadrant in the City.

Prior to entering public service, Councillor Chahal was a small business owner and entrepreneur. His approach to public service is rooted in a commitment to ensuring all Calgarians, regardless of background, are treated with dignity and have equal access to opportunity and resources—particularly those who are vulnerable, economically unstable, or otherwise disadvantaged.

Councillor Chahal is a graduate of the University of Calgary where he earned a Bachelor of Arts in Economics and a Master of Environmental Design (Planning). He has a passion for sports and been actively involved in volunteering and coaching in the community.

Bonita Croft, Q.C., ICD.D -Ex/officio (Nov 2018-present)

Chair Croft is Vice-President Legal Affairs, Corporate and Chief Compliance Officer with Suncor Energy Inc. A leader in the areas of corporate governance, legal risk management, business ethics and anti-corruption, she has more than two decades as a lawyer and executive in global, publicly traded energy companies.

Chair Croft also sits on the board of directors for the Calgary Police Foundation, an organization dedicated to supporting safe communities by funding education and prevention programs aimed at reducing youth victimization and criminal activity.

She holds a B.A. (hons) from Mount Allison University and an LL.B from Dalhousie University. She was appointed Queen's Counsel for Alberta in 2014. She is also a graduate of the Institute of Corporate Director's Director Education Program.

Marco De Iaco (Nov 2019-present)

Commissioner De Iaco is the vice president of business development for the Western Hockey League. As the former Executive Director of the Calgary Sport Tourism Authority and Vice President of Sport & Major Events at Tourism Calgary where he led a collaborative, city-wide effort to attract major events to Calgary and investment into amateur sport for 15 years.

Under his tenure, Calgary was twice recognized as one of the top 10 sport cities in the world by Sport Business International and he also chaired the JUNO Awards and JUNO Week Celebrations in 2008 and 2016. More recently, he served as the Director of Exploration for Calgary's Olympic Bid Exploration Committee and as the Executive Director of the Calgary Downtown Business Association.

Commissioner De Iaco is a graduate of the University of Calgary Haskayne School of Business and has completed executive programs at the Smith School of Business at Queen's University and the Institute of Corporate Directors. He is currently a member of the board of directors for the Parkinson Association of Alberta, serving on its finance and audit committee. Prior to joining the Commission, Commissioner De Iaco served on the board of directors of YMCA Calgary.

Marilyn North Peigan, MA (Nov 2017 – present)

Commissioner North Peigan is an outreach and community advocate with the Native Counseling Services of Alberta working to support residential school survivors and their families.

She is also specialist in the field of corporate, event, and private security, bringing a background in military training and customer service. She has extensive experience in VIP security with a focus on the Aboriginal entertainment community.

Commissioner North Peigan served with the military medical corps of the Canadian Armed Forces. After an honourable discharge, she earned a BA in psychology and an MA from Athabasca University, which covered the historical issues leading up to Canada's current situation with missing and murdered Aboriginal women.

Her contributions to the community include having served as vice-chair of the Calgary Aboriginal Urban Affairs Committee, which strived to improve the opportunities and quality of life for Aboriginal people living in Calgary. Commissioner North Peigan is proficient in the Blackfoot language and Treaty 7 territory culture.

In 2012, she was awarded the Queen Elizabeth II Diamond Jubilee medal.

Tongjie “TJ” Zhang, PhD (Nov 2018-present)

Commissioner Zhang is a cybersecurity and privacy expert and an active community leader. He holds a PhD in computer science from the University of Calgary and has worked in research, development and consulting for over 14 years. His work in cybersecurity and privacy has been published and presented at international conferences and local business media.

Commissioner Zhang currently has two Lieutenant Governor in Council of Alberta board appointments - to the Alberta Gaming, Liquor and Cannabis Commission Board, and the Council of the College of Alberta Dental Assistants. He is also a Senator in the University of Calgary Senate.

Past board positions include the Credit Union Deposit Guarantee Corporation of Alberta, the Calgary Security Professionals Information Exchange Society, Chair of Calgary’s Livery Transport Advisory Committee, vice-president (Finance and Services) of the Graduate Students’ Association at the University of Calgary, Calgary representative of the Alberta Graduate Council, trustee of the Campus Trust, and vice-president internal of Junior Chamber International Calgary.

d. What is your finance & audit committee’s 2021 workplan?

Our 2021 workplan includes ongoing governance of planning and budgeting, financial management, IT and cybersecurity, project management, and internal audit. The specific focus for 2021 is on improved governance over cybersecurity, significant projects and reporting of business results, improved budget transparency, and ensuring that internal audit recommendations are appropriately implemented.

Financial and Performance Reporting

3. Brief summary of recent financial highlights and key 2021 initiatives/strategy.

The Calgary Police Service is experiencing lagging impacts to revenues from 2020 due to the COVID-19 pandemic. Traffic patterns and summonses have not returned to pre-pandemic rates. Revenue is expected to be significantly impacted in 2021 and these impacts will likely continue into 2022. The cancellation of in-person court appearances and increased timeline to pay fines contribute to these decreased revenue projections.

CPS also expects to see greater attrition in 2021 and is working to offset this with increased recruiting efforts. Current recruiting efforts will be focused on both sworn and civilian personnel, with significant efforts to increase the diversity of applicants. CPS will continue to leverage reserves and opportunities for efficiencies to offset decreased revenue.

Strategies for 2021 are guided by an Annual Police Plan (attached) as well as a longer-term high-level organizational strategy that maps out CPS vision, mission, values, approach and goals. The annual plan is a short-term plan that focuses resources on the things that citizens, employees, and research identify as the most important short-term priorities.

Highlights in 2021 include:

- Implementing commitments related to anti-racism, equity, diversity and inclusion,
- Working with partner agencies to deliver high quality services to Calgarians (including through Community Safety Investment Framework activities)
- Conducting high quality investigations to bring justice to victims of crime
- Engaging in prevention, education and early intervention to support community safety
- Ensuring a presence in the community and engagement with diverse groups
- Continuing to implement reviews including Wittmann use of force report, service optimization review (“ZBR”), internal audits, and internal ‘functional review.’

4. *How has the board considered environmental, social factors and metrics into its 2021 planning and beyond?*

As a group of citizen volunteers who live, work and raise families in Calgary, it is important for the Commission to be connected with environmental and social factors shaping citizen priorities for safety and policing. In 2020, we conducted a citizen perception survey to gather feedback from more than 1,000 Calgarians as well as a survey of CPS employees. The results and trends revealed in that report were considered by both the Commission and CPS in strategic planning and decision-making about budget, programs, services and approaches to ensure CPS remains responsive to our community and supportive of the workforce.

Equity, diversity and inclusion issues remain a priority for the Commission, with an awareness of global and local calls for policing reforms to improve fairness and accountability. Through its September 2020 report, *The Calgary Police Service Commitment to Anti-Racism, Equity & Inclusion*, CPS committed to a focused, intentional pursuit of equity, diversity and inclusion.

The Commission has clarified and refined its expectations to CPS about public reporting on its anti-racism action plan, race-based data collection, program reviews, budget transparency, complaint system reforms, and implementation of recommendations from the Wittmann report on use of force.

The Commission also has turned an eye to the longer-term trends in policing and police oversight, supported by reports including the service optimization review, the CPS strategic foresight exercise and participation in the Canadian Association of Police Governance. For example, an acceleration in technologies such as artificial intelligence and cyber-physical systems challenges the CPS to keep pace with new forms of crime.

The global outbreak of COVID-19 pandemic altered priorities, expectations, and systems for law enforcement. In response to COVID-19, CPS made major changes in policy and practice, including new or altered service models, and new working practices (teleworking), and intensive efforts to secure personal protective equipment (PPE). The sustained impact of the pandemic will continue to challenge the CPS with respect to training, workplace needs, service delivery, and public interactions. Changes in crime trends are being monitored and factored into decisions around strategy and operations.

5. *What initiatives are currently in progress to improve the efficiency of your processes?*

Over the past two years, Chief Neufeld has conducted a portfolio of strategic initiatives aimed at Shaping our Future. These initiatives ensure that CPS engages in the most effective and efficient use of resources using an evidence-informed approach and alignment with priorities that are important to Calgarians based on citizen and employee engagement and the organization's long-term strategic goals. Short, medium and long-term planning is supported by Our Strategy, the long-term strategic plan, the CPS Service Action Plans (four-year business plan) and the Annual Policing Plan (CPS annual priorities). Strategic review initiatives currently being implemented include:

- Service Optimization Review – examining patrol deployment and infrastructure planning
- Functional Review – internal review of organizational resources and structure
- Wittmann Report – independent review of use of force

CPS also conducts regular audits and evaluations of programs, initiatives and operations to ensure compliance and inform continuous improvement and evidence-based decision-making.

With a focus on making sure that the right people are doing the right tasks, properly led, equipped, and supported, CPS will be:

- Implementing prioritized recommendations from existing reviews and audits,
- Exploring, implementing and evaluating innovations in technology to improve operations, including updating SENTRY systems to improve reporting performance, testing 5G networks and software products, upgrading servers and networks to support access to data for analysis, supporting teleworking,
- Systematically addressing organizational risk.

6. *Are there any regulatory or market changes that impacted the business approach in 2020?*

Multiple changes to federal and provincial legislation in 2020 placed significant demand on CPS resources. These changes include the:

- Disclosure to Protect Against Domestic Violence Act,
- Protecting Survivors of Human Trafficking Act (Bill 8),
- Mental Health Amendment Act (Bill 17),
- Provincial Administrative Penalties Act

These legislative changes have implications on staffing, policies and procedures as well as the development of training and communication plans.

As well, since the public health requirements were put in place, police have been enforcing COVID-19 restrictions pertaining to the mask bylaw, Public Health Act, mandatory isolation orders, and rallies among those opposed to public health measures.

Internal business operations that were impacted by the pandemic include:

- Closure of district offices to walk-in services
- Limited access to investigative resources
- Capacity restrictions at the arrest processing unit
- Alternative delivery model by the victim assistance support team

Restrictions have created challenges for recruiting, training, and mandatory requalification training for police personnel.

Mental health supports are available to all CPS employees to address anxiety, relationship issues, child, and financial stresses that are compounded by COVID and isolation restrictions.

7. Provide the most recent management letter including management responses.

Attached: CPS Audit Results 2020 - Deloitte

Enterprise Risk Management

8. What are your organization's principal risks including financial and operational as well as risk management policies and procedures?

Attached: CPS Annual Risk Report 2021

9. How is risk oversight assigned, tracked and monitored by the board?

Committees are assigned responsibility for understanding risks and risk management strategies for their respective areas of expertise, which are tracked and monitored through regular reporting by CPS to committees and Commission. The reporting follows a detailed and specific reporting schedule developed annually and revised regularly. Reporting to committees and Commission includes the opportunity to question, seek further information, request items be returned to subsequent meetings and provide feedback. Commission members also have development opportunities to broaden knowledge of potential risk areas through involvement in other organizations including the Alberta Association of Police Governance, Canadian Association of Police Governance, Institute of Corporate Directors, and others.

10. What internal controls are in place to manage risk including information technology and systems?

CPS has a number of information technology (IT) controls that fall into the business continuity and IT security categories. Business continuity controls include regular business impact assessments on IT systems, yearly exercises in conjunction with CEMA, failover testing on key IT infrastructure, and regular critical equipment lifecycle replacement. IT security controls include random access audits, third party penetration testing, active monitoring of suspected security events, two-factor authentication, multi-layered firewalls, and aggressive end-point threat monitoring systems. The Commission's Finance & Audit committee receives regular reports to understand and evaluate the IT risk management strategies.

Internal audits are performed annually on areas throughout the service based on a schedule of priorities that highlight areas of risk. CPS is acting to resolve deficiencies noted from those audits.

11. What frequency does the board continually evaluate controls, processes and disclosure?

Budgeting and strategic planning: The Commission reviews and approves the Calgary Police Service four-year business plan and budget as well as annual adjustments in order to prepare recommendations to City Council. The Commission receives for information regular updates,

progress reports and evaluation reports that enable the Commission to monitor and evaluate progress toward meeting goals and achieving outcomes.

Audits: The Commission is involved in setting the CPS internal audit plan for the year and regularly monitors the outcomes of those audits and the implementation of recommendations. The internal audit plan focuses on areas of higher risk, which may involve controls and/or business processes. As well, the Commission discusses the external audit plan with the external auditors annually, and reviews the results of that audit, including the management report from the auditors and the audited financial statements.

12. Are there any results of regulatory or internal/external business assessments that provide assurance on the effective management of the principal risks?

The 2020 CPS Functional Review resulted in an organizational realignment that combined Operations Audit and Risk Management into one work area to improve integration of internal audit/controls and the management of organizational risk. In 2021, CPS implemented Integrated risk management, creating its first corporate risk profile through this systematic, service-wide approach.

Eight top organizational risks were identified and the corporate risk profile was approved by the Calgary Police Commission in June (CPS Annual Risk Report attached). Further assessment, development and gap analysis of the risk strategies and treatments for the top risks will occur in Q3 & Q4 2021. The top corporate risks will form a key input to the planning and prioritization for the 2022 Annual Policing Plan.

As indicated in the 2021 CPS Annual Risk Report, there are several reviews, assessments, and initiatives underway that further define and address the top corporate risks identified. These include:

- Implementation of the patrol deployment and infrastructure planning recommendations from the Service Optimization Review (2020)
- Implementation of the organizational structure, process and governance recommendations from the CPS Functional Review (2022)
- Service-wide integration of Information Security Classification
- Equity, Diversity & Inclusion tool pilot (2022)
- Response to the Arkinstall Inquiry and Professional Standards reform (ongoing)
- Human Resources modernization (ongoing)

CPS continues to use its internal audit function to provide assurance on internal controls and identify areas for improvement.

Talent and Culture

13. Have there been any significant changes to your organization's executive leadership?

In 2020, three new deputy chiefs started their roles at CPS following the appointment of a new Chief Constable in 2019. Organizational changes also occurred to elevate the HR, learning and development and wellness and resiliency functions within CPS.

14. How are the board's diversity goals included in your organization's corporate governance framework to ensure diversity is promoted for the board, executive and organization?

The Commission has identified anti-racism, diversity, equity and inclusion as priorities for the 2021 Commission action plan, created a new standing committee to oversee the anti-racism, diversity, equity and inclusion work underway by CPS, and outlined its expectations in writing for CPS. The Commission has incorporated diversity goals in the Chief Constable's annual performance plan and expects to see CPS make measurable progress in recruitment and retention, collaborating with the City, and communications and engagement with the community.

CPS has embedded these goals into its strategic plan and launched an anti-racism portfolio of work that includes piloting an equity, diversity and inclusion tool within CPS. The tool will enable CPS to actively incorporate an intersectionality of perspectives and lived experiences to strengthen decision-making toward removing systemic barriers and promoting inclusion. As the tool is used through CPS, it will enhance engagement to understand how service delivery is experienced differently by CPS employees and the community.

15. What mechanisms are in place to support concerns of management and employees?

Calgary Police Service employees have several avenues to raise and address concerns, depending on the matter. Options include the respectful workplace office, CPS human resources, the Professional Standards Section, and an independent workplace concern advisor. The Chief Constable also hosts regular virtual town-hall forums to share information, hear feedback and answer questions.

Employees are also invited each year to provide candid feedback anonymously through the employee survey. The Commission also has regular joint meetings with CPS executive leadership team and the Calgary Police Association and Senior Officers Association boards. The Commission's governance committee also receives regular in-camera updates from respectful workplace office managers to hear candid details about trends and experiences as a way to assess overall culture.

16. Describe the board's compensation strategy including retention and morale, pay ratios, transparency, views of stakeholders and long-term strategies and objectives.

The Commission has authority over only the compensation of the Chief Constable. The compensation strategy was defined in spring 2019 and considered factors including national comparators for the same position in similar sized jurisdictions, total compensation framework at the City of Calgary, local economic factors, and the experience of the incumbent. The current chief has a five-year contract with an option to renew. A thorough performance assessment takes place every year, with a shorter mid-year review included as well.