

Law, Legislative Services & Security Report to
Audit Committee
2024 March 14

ISC: UNRESTRICTED
AC2024-0236

Annual Law Audit Report

PURPOSE

The purpose of this report is to provide the Council directed annual update about the structures and systems in place within The City to support an appropriate level of legal compliance. It is also to request direction to discontinue annual reporting, as information contained in this annual report will be incorporated into future semi-annual Principal Corporate Risk reports.

PREVIOUS COUNCIL DIRECTION

To support Audit Committee in fulfilling its terms of reference, on 2005 March 7, Council directed the City Solicitor and General Counsel to provide an annual report about the structures and systems in place to support an appropriate level of legal compliance regarding the various activities carried out within the organization. Law has provided annual reports to Council since that time.

On 2020 February 3, Council approved the updated Integrated Risk Management Policy (AC2020- 0022), which includes Legal Risk as a principal corporate risk. Principal Corporate Risk reports are delivered to Council through Audit Committee semi-annually.

RECOMMENDATIONS:

Audit Committee recommends that Council:

1. Receive this report for information; and
2. Direct Law to:
 - a. stop providing annual reports through Audit Committee to Council; and
 - b. incorporate into the semi-annual Principal Corporate Risk report: information about the structures and systems in place within The City to support an appropriate level of legal compliance regarding the various activities carried out within the organization.

RECOMMENDATION OF THE AUDIT COMMITTEE, 2024 MARCH 14:

That Council:

1. Receive this report for information; and
2. Direct Law to:
 - a. Stop providing annual reports through Audit Committee to Council; and
 - b. Incorporate into the semi-annual Principal Corporate Risk report: information about the structures and systems in place within The City to support an appropriate level of legal compliance regarding the various activities carried out within the organization.

GENERAL MANAGER COMMENTS

The City Solicitor and General Counsel concurs with this report. This approach will ensure Audit Committee and City Council continue to receive the information identified in Council's 2005 direction through the current Principal Corporate Risk reporting. This will provide a more

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frequent and consolidated perspective of the corporate legal risk and achieve efficiencies for Council, Audit Committee and Administration by eliminating duplicitous reports.

HIGHLIGHTS

- Law supports the corporation's delivery of all services by addressing the corporation's insurance, claims and legal needs, and contributes to informed decision making within corporate risk tolerance.
- Since 2005, Law has delivered an annual report to City Council through Audit Committee about the structures and systems in place to support an appropriate level of legal compliance.
- City Council, through Audit Committee, also receives semi-annual reporting on the Principal Corporate Risks, which includes Legal Risk.
- Law intends to commence incorporating information historically provided in its annual report into future semi-annual Principal Corporate Risk reports. This will result in a more frequently delivered, comprehensive source of information about corporate legal risk, making Law's annual report duplicitous and unnecessary.

DISCUSSION

Since the 2005 Council direction, risk reporting by Law and the corporation have matured.

Law Perspective

Law is a business unit within the Law, Legislative Services & Security department, and the City Solicitor & General Counsel (also General Manager of the Department) is a member of the Executive Leadership Team. There is a separate Director of Law.

Law includes two divisions: Legal Services and Risk Management & Claims and has two service lines: Legal Services and Insurance & Claims. Law participates in the service plan and budgeting process and provides data, evidence and analysis for the service risk registers.

Legal Services is a full-service internal law department whose members are highly qualified legal professionals with diverse expertise and experiences, specializing not only in municipal legal matters but also the business of the corporation.

Risk Management & Claims ("RMC") delivers insurance and claims services to help internal customers identify, address, and manage risk through the placement of insurance. RMC manages The City's civic insurance program and works with Legal Services to recover costs associated with damage to City assets. RMC also provides an avenue for people who wish to submit a claim against The City. The Insurance and Claims Service Report for 2023 can be found in Attachment 2.

Corporate Perspective

The Integrated Risk Management Administrative Guidelines (2021 December 10) sets out The City's integrated approach to manage risk. Under these IRM Guidelines, The City conducts at

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least two cross-corporate risk reviews annually. Audit Committee received the 2023 Year-End Principal Corporate Risk Report (AC2024-0038) on 2024 January 18 and will receive the 2024 Mid-Year Principal Corporate Risk Report on 2024 July 25.

Law plays a key role in the identification and management of corporate risk and provides data, evidence and analysis for the service risk registers and the Principal Corporate Risk reports. The City Solicitor & General Counsel is the owner of the principal corporate risk “Legal Risk”. The recent Principal Corporate Risk reports contain much of the same data and analysis as contained in the Law Annual Report. Law intends to work with the Enterprise Risk Management Team to reformat and incorporate the remaining information into future Principal Corporate Risk reports.

Incorporating the information from the Law Annual Report into future Principal Corporate Risk reports will reduce duplicative reporting and provide a more frequent and consolidated perspective of corporate legal risk.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken | <input type="checkbox"/> Dialogue with interested parties was undertaken |
| <input type="checkbox"/> Public/interested parties were informed | <input checked="" type="checkbox"/> Public communication or engagement was not required |

IMPLICATIONS

Social, Environmental & Economic

Not applicable

Service and Financial Implications

No anticipated financial impact

RISK

Law is a strategic partner working collaboratively with colleagues across the corporation to address legal needs of The City and to support intentional and informed decision making within corporate risk tolerance. The recommended approach will result in efficiencies for City Council, Audit Committee and Administration

ATTACHMENTS

1. Previous Council Direction, Background
2. Insurance and Claims Service Report – 2023 Review

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Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Lynne Davies, Director	Law	Approve
Jill Floen, City Solicitor & General Counsel	Law, Legislative Services & Security	Approve

City Clerks: C. Doi / J. Phillips