Community Association Support Audit

February 20, 2025

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Audit Objective	The objective of this audit was to assess the effectiveness of Community Associations (CAs) support provided by the Neighborhood Partnership Coordinator (NPC) Team.

Why it Matters	The City of Calgary (The City) partners with 155 CAs to increase the quality of life for residents and provides them with a means of formal representation and advocacy, contributing to vibrant communities.

The City invests in this partnership through public land, funding, and staff support, with the NPC team serving as a central resource to support CA's sustainability. The CAs, primarily led by volunteers, play a significant role in building strong communities by:

- Providing social, leisure, and recreational service and program activities inline with the needs and preferences of their geographically defined community.
- Representing and advocating for its residents on issues that impact the local community, such as traffic, land development, and safety.

What We Concluded	Effective support is provided to enhance CA's organizational development, manage partnerships and relationships, and connect CAs to City services and funding sources. We identified opportunities to further refine and standardize current practices, as well as formalize the relationship with CAs without lease/License of Occupation (LOC) agreements.

NPCs maintained strong relationships with CAs through daily interactions and act as primary points of contact, connecting CAs with other City business units for various issues. NPCs also assist CAs with funding needs by researching and sharing funding opportunities, supporting funding applications and overcoming access barriers to certain funding opportunities. For CAs with a Lease/LOC agreement, NPCs conducted annual evaluations of financial, organizational health and facility risk, and helped CAs take actions to mitigate identified risks.

Data analysis indicated high completion rates of key activities, a high percentage of CAs holding Lease/LOC agreement with low-risk rating, and high satisfaction with NPC's support. However, sample testing mainly of operational exceptions identified through data analysis highlighted inconsistencies, timeliness issues and incomplete documentation due to lack of a formalized process. To address these gaps, six recommendations have been made to refine and standardize current practices.

Management of the partnership with 32 CAs without agreements did not fully align with Investing In Partnership Policy, due to the absence of formal agreements and a yearly evaluation of CA's good standing regarding its legal obligations. We raised a seventh recommendation that the NPC team develop formal agreements and a yearly evaluation process for these CAs to ensure alignment with the policy.

The NPC team agrees with the recommendations and has developed action plans to implement process improvements by September 30, 2026.

Background

The City makes the following major investments to support CA's sustainability and success:

Major Investment	Brief Description
Lease/LOC[1]	Currently, there are 123 CAs that have a LOC or lease agreement with The City.
	The City provides public land to CAs at a nominal cost of $10 per year. The roles and responsibilities of each party are outlined in the agreement. CAs are responsible for all costs associated with occupying the lands[2], and must provide social, leisure, or recreation opportunities for the benefit of Calgarians.
Staff Support- the NPC Team	A dedicated team works closely with CAs to support their organizational development and sustainability, provide support for capital projects, connect communities with resources, and work to foster a positive relationship between The City and community partners.
Funding[3]	• Community Capital Conservation Grant (CCG)- Funding for facility lifecycle planning and capital projects to maintain safe and healthy facilities for Calgarians.
	• Inspiring Neighbourhood Grant (ING)- Annual budget of $150K to advance the building of great communities across Calgary by supporting community-led projects and initiatives in areas such as beautification, engagement, technology, and safety.
	• Community Sustainability Reserve (CSR)- Provides operational funding to address one time financial or governance related emergencies or ongoing financial or governance issues that will impact long term sustainability. CAs are eligible for a combined maximum of $200K over a period of 5 years.

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[1] Council Policy: Lease/License of Occupation to Community Organizations
[2] Including costs associated with community buildings, parking lots, and other facilities or structures such as tennis courts, outdoor rinks, and play fields.
[3] The funding listed are those that the NPC team has significant influence over. Other major City funding streams include the Council Innovation Fund and Council Community Fund.

<u>The NPC Team</u>

The NPC team serves as the main point of contact for CAs, and reports to the Manager of Community Partners division in the Partnerships business unit. With an annual budget of $3M in 2024, the team has 24 NPCs that support 123 CAs operating on City Lands under a Lease/LOC agreement and 32 CAs without such an agreement, and 11 Social Recreation Groups.

Each NPC works directly with a designated number of CAs and provides the following core services:

Organizational Development	NPC advise, facilitate, and lead CAs to strengthen their structure and processes to achieve better organizational and financial health. NPC support activities, such as:

- Complete business plan
- Develop board governance practices
- Develop policies and procedures
- Develop financial leading practice, financial reporting
- Review effectiveness/impact of programs and services
- Develop staff and volunteer management practices

Partnership Management	NPC work with CAs to adhere to the terms and conditions of the Lease/LOC

- Initiate, execute or terminate Lease/LOC
- Monitor compliance with Lease/LOC requirements/land use and public use policies and capital construction policies and processes
- Conduct annual organizational, financial and facility risk assessment
- Support facility sustainability/ capital development

Relationship Building /Connecting Resources	NPC provide information, advice, and support navigating City and community resources

- Develop and maintain healthy relationship with CAs and City business units
- Develop, interpret, inform, and promote resources to support CAs and share community information back to City business units
- Support CAs to explore funding opportunities and grant applications from all level of governments

Scope & Approach

To assess the effectiveness of the supports to CAs, we completed a risk assessment and identified the following activities critical to ensuring CA's sustainability and their ability to fulfill their role in the communities.

Core Services	Key Activities
Organizational Development	• Business planning • Board orientation • Monthly financial review
Partnership Management	• Risk mitigation planning through annual risk assessment
Relationship Building/Connecting Resources	• Actions taken to address concerns identified in surveys. • Connecting to city services • Funding support

We performed data and trend analysis on the following data sets:
- Organizational Health and Assessment Tool [4] (OHAT) 2023
- External Party Survey [5] (EPS) 2023 and Comparative Results (2021-2023)
- Annual Risk Assessment Results for assessment year 2019-2022
- CCG and ING grant applications (2019-2024)

Based on the results of data analysis, we performed sample testing, interviewed relevant parties, and/or reviewed supporting documents. We focused on evaluating NPCs' supporting activities that occurred between January 1,2023 to June 30,2024. This audit focused on CAs only. Social Recreation Groups was not included in the scope of the audit.

Results

Results are summarized by the three core services identified above: organizational development, partnership management and relationship building/connecting resources.

Organization Development

Regular business planning, board orientations, and monthly financial reviews support CAs operating effectively.
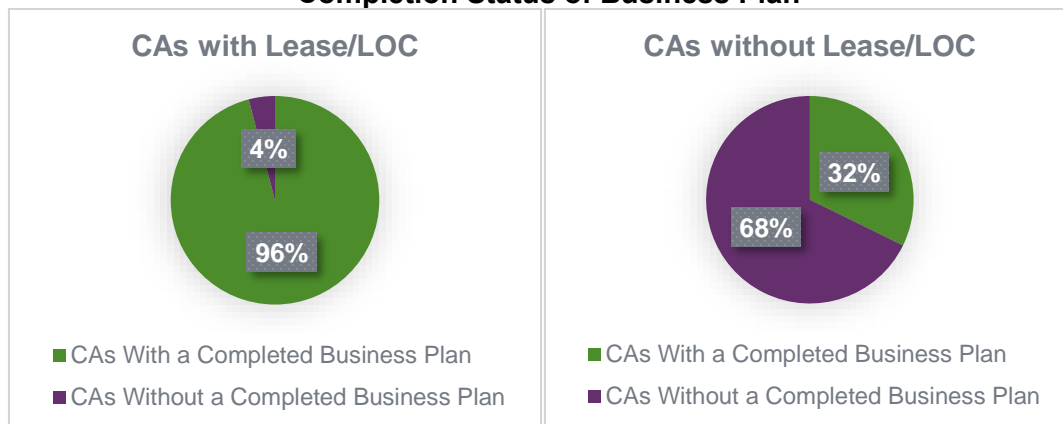
Business Planning

Business plans are essential for the organizational health of CAs, as they outline priorities, facilitate and organize the proper distribution of resources, and guide decision-making.

For CAs operating on City land under a Lease/LOC, a business plan is required every five years. Although it's best practice for CAs without Lease/LOC, there's no agreement mandating a business plan. According to OHAT 2023, 96% of CAs with Lease/LOC have a business plan, compared to 32% of CAs without Lease/LOC.

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[4]This assessment tool provides a comprehensive snapshot of a CA's organizational health, compared to compliance requirements per Lease/LOC and a list of best practices in organization development, financial management, and facility maintenance.
[5]This annual survey gathers feedback from CAs regarding NPC supports, its impact, and accessibility, which is used for performance measure.

Completion Status of Business Plan

CAs with Lease/LOC	CAs without Lease/LOC
4% / 96%	32% / 68%
■ CAs With a Completed Business Plan	■ CAs With a Completed Business Plan
■ CAs Without a Completed Business Plan	■ CAs Without a Completed Business Plan

We tested 14 samples that showed regardless of the Lease/LOC status, NPCs provided effective support in developing business plans through:
- ✓ Facilitating the business planning session to identify strategic directions.
- ✓ Monitoring compliance for CAs with Lease/LOC.
- ✓ Reviewing the draft business plan and providing feedback whenever applicable.
- ✓ Attending CA's monthly meeting and provide support as requested.

For eight CAs that have a business plan (six with Lease/LOC, two without Lease/LOC), business plans generally:
- ✓ Outlined priorities for service delivery.
- ✓ Included an associated budget for the following year.
- ✓ Were responsive to the community's needs.
- ✓ Were reflective of the CA's financial capabilities.
- ✓ Met the mandate of the CA as outlined in its bylaw.

A further five CAs with Lease/LOC in our sample had worked with NPC following the survey date to complete the required business plans.

We noted delays of two months to over two years in completing the required business plan after its expiration for CAs with Lease/LOC, increasing the risk of not achieving CA's goals, misallocating resources, and ineffective decision-making. We recommended establishing timeline and monitoring processes to ensure timely completion of business plan after expiration (Recommendation 2).

For four CAs without Lease/LOC and did not have a business plan, NPC helped CAs identify their strategic priority by facilitating the business planning sessions upon request. However, the business planning session was not conducted regularly as there is no agreement requiring them to do so. We raised a recommendation to address this (Recommendation 1).

Board Orientation

Board orientation supports volunteer boards in understanding their responsibilities, duties, compliance requirements, and funding resources, setting them up for success for the coming year.

NPCs may assist in facilitating the board orientation when there is board turnover after CA's annual general meeting. OHAT 2023 showed 89% of CAs with Lease/LOC and 58% without Lease/LOC had board orientations in 2023.

Completion Status of Board Orientation

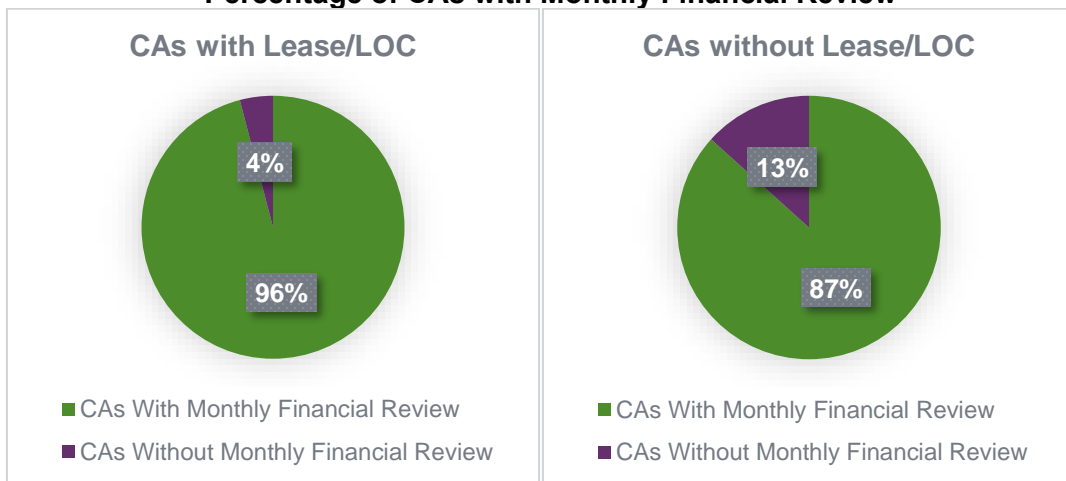| CAs with Lease/LOC	CAs without Lease/LOC
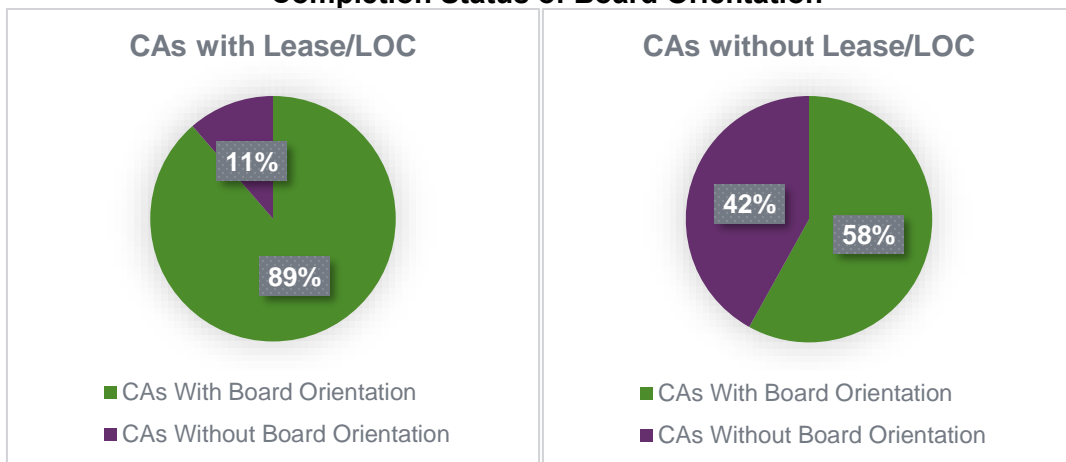
Using open text comments in the OHAT 2023 survey, we identified 21 CAs with new board members in 2023. A further data comparison and discussion with NPCs revealed that NPC did not conduct board orientation for four CAs. Discussion with NPCs also highlighted inconsistent practices regarding board orientation. We recommended the team standardize board orientation processes to ensure consistent implementation across all NPCs (Recommendation 3).

Monthly Financial Review

Regular financial review is critical for monitoring CA's financial health. NPCs support this best practice by promoting the monthly financial review and providing a template upon request. The OHAT 2023 showed 96% of CAs with Lease/LOC and 87% of CAs without Lease/LOC conducted the monthly financial review in 2023.

Percentage of CAs with Monthly Financial Review

CAs with Lease/LOC	CAs without Lease/LOC

We inquired with NPCs about four out of nine CAs (two with Lease/LOC, and two without Lease/LOC) that lack monthly financial reviews to understand the reasons and assess NPC's support. We found that one CA began regular bank statement reviews with NPC's support since August 2023, while three have not. Discussion of underlying reasons revealed a gap between current practice and the Investing in

Partnership Policy, and we raised a recommendation to address the gap (Recommendation 1).

Partnership Management

Current partnership management focuses on CAs holding a Lease/LOC, including an annual risk assessment of their financial, organizational health and facility risk. Risks are categorized as low, elevated, or high based on pre-defined criteria. Following the assessment, the NPC team develops risk mitigation strategies, communicates risk ratings to CAs, and reports the results to Council. This audit focuses on actions taken to mitigate identified elevated or high risks.

Risk Mitigation Planning For CAs holding a Lease/LOC

We analyzed risk trends from the 2019 to 2022 annual risk assessment results and sampled CAs with elevated or high risk to determine the effectiveness of NPC support in mitigating these risks. Key results are summarized below.

Financial Risk

The financial risk rating is provided by The City's Finance business unit based on the CA's internal reviewed financial statement or external audited financial statement. The rating assesses whether the CA is in a good financial position with sufficient working capital and healthy equity. From 2019-2022, the percentage of CAs with elevated or high financial risk remained stable at 15%-16%, except for a spike to 23% in 2020 due to a COVID-19 related closure of facilities.


Financial Risk Trend 2019-2022

— % of CAs with Elevated or High Risk
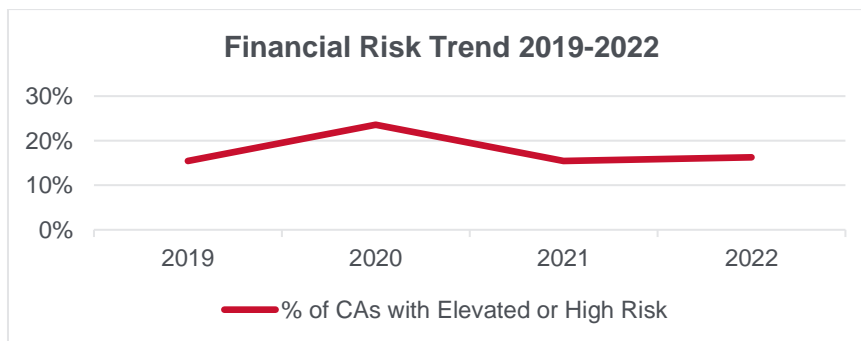
We reviewed seven CAs with continuous elevated or high financial risk. Overall, NPC's support effectively mitigated the financial risks, with key observations including:

- ✓ NPCs engaged CAs in developing a mitigation plan.
- ✓ Team leads reviewed mitigation plans.
- ✓ NPC applied for CSR emergency funding to cover operational shortfall when CAs met eligibility.
- ✓ NPCs worked with CAs to increase revenue, monitor expenses, explore grant opportunities, and refine financial policies and procedures.

Organizational Health Risk

Organizational health risk rating is derived from the annual OHAT. The rating evaluates the overall wellness of CAs. From 2019 to 2022, the percentage of CAs with elevated or high organizational health risks were consistently low, at 3%-4%.

Organizational Health Risk Trend 2019-2022
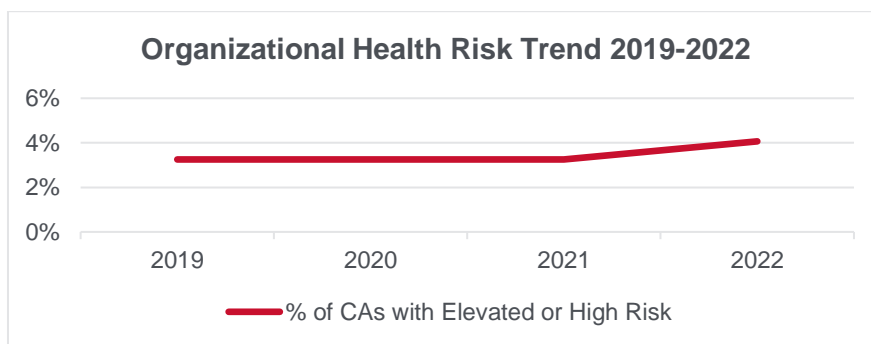
We reviewed three CAs with continuous elevated or high organizational health risk and concluded that the mitigation support is only partially effective due to:
- NPCs did not engage with CAs in developing the mitigation plan in all three samples.
- Mitigation plans were discussed with team leads, but updated plans for one CA was not provided.
- Documents to demonstrate the risk mitigation support in 2023 and 2024 was not provided for one CA.

During the audit, the NPC team began building a comparative risk database to monitor risk trends for each CA, enhancing future risk monitoring.

We recommended the team engage with CAs to support mitigation planning and to monitor and update mitigation plans for CAs with ongoing high/elevated risks on annual basis to further enhance the effectiveness of the risk management process (Recommendation 4).

Facility Risk

The facility risk rating, provided by Facility Management, is based on information gathered from the Facilities/Building Condition Assessment (BCA) reports. The rating focuses on risk to people or property and the probability of facility failure. The percentage of facilities with elevated or high risk increased from 4% in 2019 to 9% in 2022, partly driven by aging buildings and increased BCA reporting.

Facility Risk Trend 2019-2022
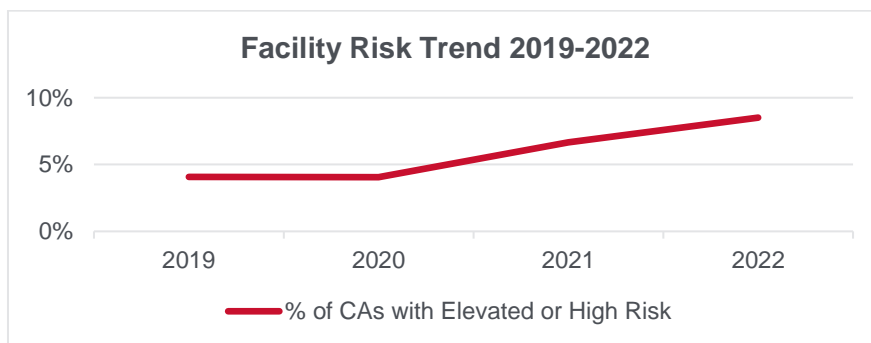
Note: The number of facilities reported each year is limited to those with completed BCA reports.

We reviewed four CAs with continuous elevated facility risk and noted that NPC effectively assisted them in accessing resources, including lifecycle prioritization, capital funding and technical support for capital projects under CCG. However, NPCs do not typically engage directly the CAs in developing mitigation plans to

address facility risk when communicating the risk ratings. We recommended the NPCs engage with CAs in mitigation planning to ensure the effectiveness of the risk management process (Recommendation 4).

Communication of Risk Ratings
The risk assessment results were communicated to CAs in two stages:
- NPCs validated the financial risk rating and engaged with CAs in developing mitigation plans. The financial risk rating for 2022 was communicated in October or early November 2023.
- A formal risk rating letter covering financial, organizational health and facility was issued to CAs on November 30, 2023.

The timeline aligns with the reporting schedule of "Status of CAs and SROs on City-owned Land" to Council in December for the previous year's ratings. However, such delays in communication potentially undermines relevance and effectiveness of risk management efforts. We recommended the team reduce the timeline in communicating the risk assessment ratings to support timely risk management (Recommendation 4).

We also observed instances of inconsistent record keeping during our review. This inconsistency could hinder the accessibility, continuity, and measurability of NPC support. As a result, we raised a recommendation to address this issue (Recommendation 6).

Risk Mitigation Planning For CAs Without Lease/LOC

No financial and facility risk assessment were done for CAs without Lease/LOC, as they are considered lower risk due to the lack of facilities and no requirement for audited financial statements.

However, the annual OHAT assessment collects organizational health data for all CAs, regardless of their Lease/LOC status, and provides an organizational health risk rating. Initial scores from OHAT 2022 and OHAT 2023 indicated a disproportionately higher percentage of high/elevated organizational risks among CAs without Lease/LOC agreements (56% in 2022 and 75% in 2023) compared to those with agreements (10% in 2022 and 5% in 2023).

% of CAs with Elevated- or High Organizaitonal Health Risk
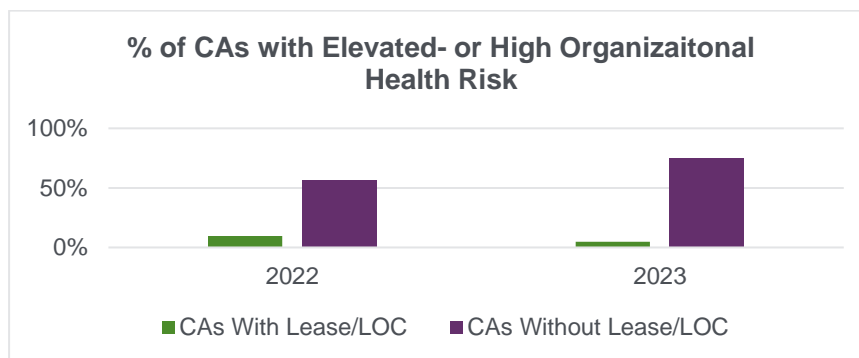
Note: % in this chart is basis on initial scoring based on OHAT survey results, this scoring will further be validated by responsible NPCs and may be adjusted.

In 2023 a new team lead expanded the OHAT assessment to include all high- or elevated-risk CAs, regardless of agreement status. This change aligns with a more equitable risk management approach.

We recommended standardizing the process of developing mitigation plans for CAs without Lease/Lease agreement to ensure consistent and equitable risk management across all CAs. (Recommendation 5).

Relationship Building

Strong relationships are crucial for NPCs to deliver core services effectively and support CAs in adopting leading practices that enhance financial capacity and organizational resilience, enabling them to build strong communities. We reviewed the process to identify and address relationship concerns identified at OHAT 2023 and EPS 2023. Results are summarized below.

EPS 2023

Annual EPS surveys measure CA's satisfaction with NPC support and serve as a performance measure. The survey results showed consistently high overall satisfaction rates from 2021 to 2023.

% of CAs felt that NPC support positively impacted their organization's overall level of functioning
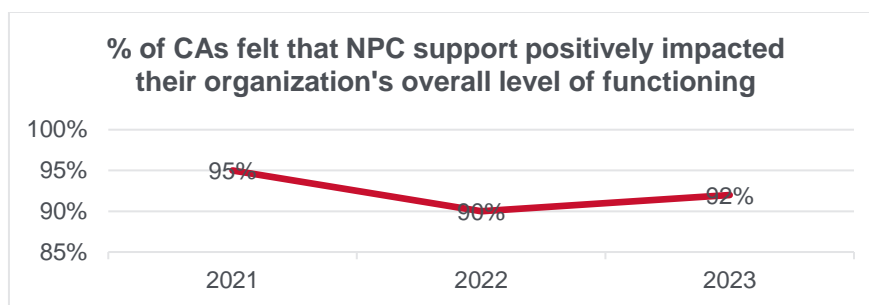
Survey results were shared with Team Leads to guide performance discussions. While positive feedback was often shared with NPCs to recognize their efforts, negative feedback was not consistently used to identify root causes and areas for improvement. We shared an opportunity with the NPC team to leverage negative feedback to support continuous improvement.

OHAT 2023

When analyzing OHAT 2023 data, we found a lack of critical organizational health information for two newly established CAs. Despite multiple attempts, NPCs have been unable to engage these CAs effectively. This challenge may stem from the absence of formal agreements for CAs without Lease/LOC agreement, resulting in a lack of a structured framework for collaboration. This makes it harder to establish communication, build relationships, and provide targeted support. We recommended developing formal agreements with CAs without Lease/LOC agreement (Recommendation 1).

Connecting to City Services NPCs facilitate communications between CAs and City business units on community concerns and program support. To help NPCs connect CAs with the appropriate City departments and personnel, the Connecting Resources Committee, consisting of team leads and NPCs, maintains an up-to-date contact list of relevant business units. We compared this list with OHAT 2023 data and found that most business units frequently involved in program and service delivery were included, except for one. We shared an opportunity with the NPC team to support the completeness of the contact list.

Funding Support

CAs often operate with limited funding, relying heavily on grants to sustain and/or expand their operations. NPC provide tailored support, helping CAs access

available funding resources, navigate complex grant application process, and overcome barriers to certain funding.

We evaluated the effectiveness of this support by analyzing the completeness of the grant list, operational effectiveness, and barriers to two grants significantly influenced by NPCs: CCG and ING.

<u>Completeness of grant list</u>

To ensure CAs have access to comprehensive and up-to-date grant information, NPC share available grant opportunities through monthly reports. The primary source for this information is a quarterly grant list, maintained and shared via email with all NPCs. NPCs can supplement the list by including additional grants that meet specific CA needs in their monthly reports. Data analysis indicated that 11 out of 27 grants used by CAs were not included in the quarterly grant email due to timing or availability issues. An initiative is underway to consolidate all grants into one database. We raised a recommendation to formalizing this initiative into a process (Recommendation 7).

<u>Operational Effectiveness</u>

We sampled 14 CAs, discussed the funding support provided with NPCs, and reviewed supporting documents. Overall, the funding supports were generally effective. Key activities included:
- Grant Information Distribution: sharing available grant opportunities through monthly reports and/or when a new grant is launched.
- Funding Research: Assisting CAs in identifying funding sources that meet their specific needs.
- Grant Application Assistance: Assisting CAs in navigating the grant application process, particularly for CCG, and ING. This includes providing required documents, drafting and/or reviewing application materials, and coordinating between the CCG and ING review team and CAs to ensure successful submissions.

<u>Barrier To Apply For CCG</u>

The CCG grant, administered by CCG team under Facility Management business unit, funds up to 75% of facility lifecycle and capital projects with a maximum project value of $300,000 per year for each CA. NPCs work closely with CCG team to improve the services offered, and help CAs navigate the application process.

We analyzed barriers to accessing CCG grant by reviewing survey comments and assessing NPC actions to address these challenges.

Survey comments highlighted challenges primarily linked to the volunteer board's capacity, such as limited knowledge of facility maintenance and managing capital projects, and insufficient funding to meet grant matching requirements or cover costs exceeding the grant amount. NPCs have effectively addressed these barriers by;
- Promoting services offered by the CCG team, including Community Technical Advisory Support Services, Engineering Consulting Grant Program, Hazardous Material Studies, Lifecycle Capital Grant, Upgrade projects.

- Requesting upfront technical support from the CCG team, such as having a Facility Operation Coordinator interpret BCA reports, prioritize the lifecycle needs, and assist in scoping and tendering processes.
- Supporting applications for exceptions, such as additional funding beyond limits set by the CCG guidelines.

We compared the BCA-reported capital needs with CCG grant approvals from 2019 to 2024.The comparison shows a high percentage of CAs with facility needs applied for the CCG grants.

CA's CCG Application Status (2019-2024)

- Has applied for CCG
- Has not applied for CCG
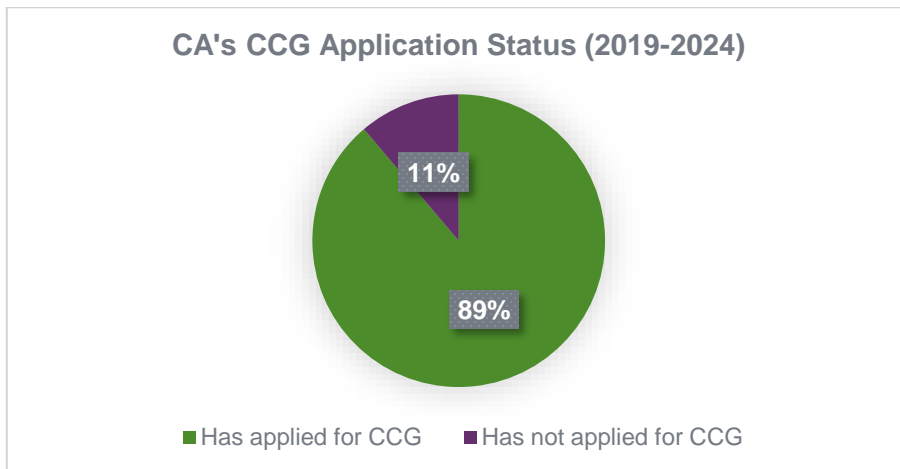
We sampled 5 out of 12 CAs with BCA-reported capital needs that did not apply for any CCG grant and inquired with NPCs to determine if there were barriers. No barriers were identified. The reasons for not applying included, no urgent capital work required, self-funding for repairs and maintenance, and other funding priorities. As independent entities, CAs decide what capital project to pursue or whether to apply for grants, which might not always align with the City's priorities on facility safety. NPCs influence CAs to align with city priorities, particularly for addressing risky elements impacting public safety.

Barriers To Apply For ING

The NPC team launched and administered the ING grant program since 2021, to supports community-led projects and initiatives.

ING Grant Overview

- # of Approved Applications
- $ of Approved Applications
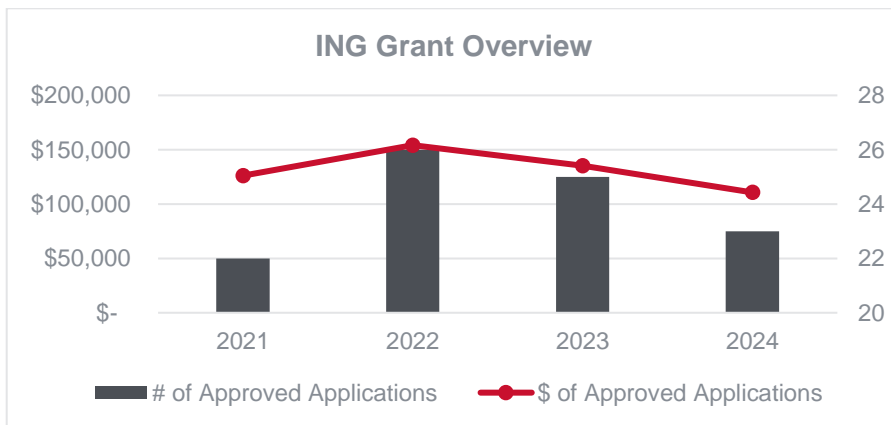
Discussions with NPCs identified that CA's capacity to initiate and execute an ING project limits its participation to the program. We examined whether ING application rates could be linked to the socioeconomic status of the community it serves, based on the Calgary Equity Index (CEI). Our analysis showed that there wasn't a direct correlation to a Ward's socioeconomic scores and its participation in the ING program.

NPCs actively promoted ING whenever they identify potential needs that aligned with the grant's purpose. They provided the following support to help bridge capacity gaps and enable CAs to successfully obtain grants:

- Guiding CAs to meet eligibility requirements, including applying for up to 100% funding to remove the financing barrier.
- Assisting with the preparation of application documents.
- Facilitating communication with the ING review team to ensure application completeness.
- Following up on grant closures, including report submissions and fund disbursement.

Observations & Recommendations

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<td colspan="2">#1: Gap between current process and policy requirements for CAs without Lease/LOC</td>
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<td>OBSERVATION</td>
<td>RECOMMENDATION</td>
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Processes for CAs without Lease/LOC agreements do not fully align to the Investing in Partnership Policy.

1. Lack of a formal agreement
Currently, for CAs without Lease/LOC agreements, NPCs provide support without formal agreement specifying mutually agreed-upon results, responsibilities, and accountabilities. Roles and responsibilities are communicated through daily interactions. This informal approach deviates from the Investing in Partnership Policy, which emphasizes mutually agreed upon results, responsibilities, and accountabilities.

The absence of formal agreements can create unclear expectations and responsibilities. For example, NPCs have faced challenges in establishing regular communication and meetings with three CAs without a formal agreement, limiting the effectiveness of support that can be provided.

The absence of formal agreements can also lead to inconsistencies in support across CAs, particularly in relation to development of business plans. Of the 32 CAs without Lease/LOC agreement, 14 did not have a business plan, and a further 7 indicated it was not applicable. In the 3 sampled CAs without a business plan, NPC facilitated business planning sessions upon CA's request, to help identify their strategic direction, which is crucial for developing a business plan. However, business planning sessions were not conducted regularly as there was no formal requirement to do so. Without formal agreements, the process for initiating and conducting business planning sessions remains ad hoc, potentially leaving some CAs without the support needed to update their strategic directions, increasing the risk that the strategic direction may not align with the community needs.

2. Lack of annual evaluation for CAs in "good standing" regarding legal obligation and requirements.
Currently, the compliance monitoring process does not include the 32 CAs without a Lease/LOC agreement, contrary to the Investing in Partnership Policy 6.4.27, which requires Administration to annually evaluate the Partnership and confirm its good standing regarding legal obligations and requirements. This compliance process gap contributed to a CA becoming at the risk of dissolution after failing to file annual returns for three consecutive years.
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The Manager, Community Partners align processes for CAs without a Lease/LOC to the Investing in Partnership Policy, by
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Developing and implementing formal agreements for CAs without Lease/LOC, outlining mutually agreed-upon results, responsibilities, and accountabilities.
Expanding the existing compliance monitoring process to cover CAs without Lease/LOC.
Consider including the business plan requirement when developing formal agreements with CAs without LOC.

MANAGEMENT RESPONSE

Agreed.
The lack of a formal agreement between The City and CAs without a formal Lease/LOC reflects the relatively low risk posed by partnership with such groups, however, Partnerships recognizes the absence of an agreement may create inconsistencies.

ACTION PLAN

The Manager, Community Partners, will pilot the development of a separate, specific agreement for non-Lease/LOC CAs. Such an agreement would need to be voluntary, and set clear expectations including business plan development, and outline the consequences of not entering into
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the agreement (such as no longer providing City liaison support). Reporting on the results of the pilot will be included in the existing compliance monitoring processes.

LEAD

Team Lead NPC, Partnerships

SUPPORTED BY

Land Working Group, Partnerships

COMMITMENT DATE

December 30,2025

#2: Timeliness in completing business plans	
OBSERVATION	**RECOMMENDATION**
Out of 155 CAs, 123 CAs have a Lease/LOC agreement which requires a business plan to be completed at least every five years. While 96% of CAs had a current business plan at the time of survey (OHAT 2023), our sample testing revealed delays in completing the business plan after expiration, ranging from two months to over two years. Maintaining a strong working relationship with CAs is crucial for NPCs and this has taken precedence over the timeliness of completing a business plan. Currently, there is no formal deadline for completing a business plan after expiration. Business plans are essential for the organizational health of CAs, as they outline priorities, facilitate and organize the proper distribution of resources, and guides decision-making. Delays in updating these plans increase the risk of not achieving CA's goals, misallocating resources, and making ineffective decisions.	The Manager, Community Partners establish a timeline requirement for completing a new business plan with CAs after its expiration, and associated monitoring process. **MANAGEMENT RESPONSE** Agreed. **ACTION PLAN** The Manager, Community Partners, agrees to develop timelines for completion of business plans following expiry, including escalation milestones to drive better compliance. Furthermore, any new tools and escalation processes developed in this regard will be assessed for applicability across all aspects of lease compliance. **LEAD** Team Lead NPC, Partnerships **SUPPORTED BY**

	Community Partnership Leadership Team, Partnerships **COMMITMENT DATE** June 30,2025

#3: Consistent application of board orientation	
OBSERVATION	**RECOMMENDATION**
Using OHAT survey data, we identified 4 out of 21 CAs with new board members in 2023, where board orientation was not conducted. Discussions with NPCs revealed inconsistent practices regarding board orientation, especially when there is no or little board turnover (1-2 new members): • Some NPCs believe no orientation is needed if there are no new board members. • Others may not offer orientation when there are only a few new board members, opting instead to provide an overview of NPC and CA's roles in the monthly board meetings. • Some NPCs feel orientation is unnecessary for CAs without a Lease/LOC. • Conversely, some NPCs conduct annual board orientations tailored to the situation, regardless of turnover or agreement status. Board orientation is crucial for ensuring that volunteer boards understand their responsibilities, duties, compliance requirements, and funding resources, setting them up for success for the coming year. The current inconsistencies highlight the need for clear guidelines to standardize board orientation practices across the team.	The Manager, Community Partners formalize and document the board orientation process to ensure consistency across NPCs and CAs, where required. **MANAGEMENT RESPONSE** Agreed. **ACTION PLAN** Partnerships recognizes that CA and SRO boards are independent organizations. The Manager, Community Partners will develop an annual orientation package and set consistent expectations amongst liaisons in terms of delivery, to ensure The City's obligations with respect to board orientation have been met. **LEAD** Team Lead NPC, Partnerships **SUPPORTED BY** Community Partners Leadership Team, Partnerships **COMMITMENT DATE** June 30,2025

#4: Refine annual risk rating process	
OBSERVATION	**RECOMMENDATION**

The annual risk rating process for CAs with Lease/LOC evaluates financial, organizational health, and facility risks supporting proactive risk management. However, three process gaps limit the effectiveness of this process:
 	
1. **Engagement in Mitigation Plans**: NPCs typically engage CAs in developing mitigation plans for high/elevated financial risks, but do not consistently involve CAs in developing mitigation plans for high/elevated organizational health and facility risk. This lack of engagement may result in CAs lacking ownership and understanding of their risks, reducing the effectiveness of risk management efforts.
 	
2. **Ongoing Risk Monitoring:** One CA has faced elevated organizational health risks in 2019,2021 and 2022. Although a mitigation plan was developed in 2018 and discussed with former team lead at one-on-one meeting, no updates have been provided by the NPC since then. The NPC team has begun building a comparative database to monitor risk trends for each CA at the time of audit, which will enhance future risk oversight.
 	
3. **Delayed Communication:** Risk information is communicated to the NPCs and CAs approximately one year after the respective year-end. For example, the 2022 risks were communicated to NPCs and CAs around October/November 2023, leading to outdated information and diminished relevance, leading some CAs to dismiss the risk ratings. The timeline for annual risk ratings aligns with the reporting schedule timeline of "Status of CAs and SROs on City-owned Land" to Council, which occurs in December for the previous year's ratings.
	The Manager, Community Partners, refine and document the annual risk rating process to ensure consistent and timely execution. This should include:
	  a) A requirement to engage CAs in developing mitigation plan.
	  b) An annual update on the mitigation plan & risk trend analysis on individual CA level.
	  c) An adjustment of timeline for risk assessment and communication to support timely risk communication and mitigation planning.
	
	MANAGEMENT RESPONSE
	
	Agreed.
	The annual risk rating processes are an important tool for ensuring community partners receive the support they need to deliver programs and services for Calgarians.
	
	ACTION PLAN
	
	The Manager, Community Partners, agrees to:
	Develop guidelines for CA / SRO engagement on all risk rating areas and incorporate engagement in risk ratings into annual work plan exercises.
	Seek to enhance the utilization of the Partnership CRM to track both identified mitigating measures and progress made towards addressing these measures. Tracking of these measures will be incorporating into assessment tools for funding opportunities. In relation, processes for updating leadership on CA / SRO progress annually basis will also be developed.

	Explore the opportunities to shorten the timeline to produce the risk ratings, acknowledging they are based on external inputs.
	LEAD
	Team Lead NPC, Partnerships
	SUPPORTED BY
	Organizational Development Committee, Partnerships All Team Leads NPC, Partnerships
	COMMITMENT DATE
	June 30,2025

#5: Monitor elevated- or high- organizational health risk for CAs without Lease/LOC	
OBSERVATION	**RECOMMENDATION**
OHAT survey utilization has varied due to changes in leadership approaches. In 2023, a change in team lead responsible for the survey broadened the focus from validating risk ratings only for high/elevated risk CAs with Lease/LOC agreements—required to be reported to Council through the annual audit memo—to all high/elevated risk CAs regardless of agreement status. This change aligns with OHAT 2022 and 2023 data, which revealed a disproportionately higher percentage of high/elevated organizational risks among CAs without Lease/LOC agreements (18 of 32 in 2022 and 24 of 32 in 2023) compared to those with agreements (12 of 123 in 2022 and 6 of 123 in 2023). Under this new direction, discussions have been initiated to develop mitigation plans for high/elevated risk CAs without Lease/LOC agreements at the end of our fieldwork in October 2024. Excluding CAs without Lease/LOC from mitigation planning overlooks a significant number of potential high/elevated risk cases, leading to disparities in risk management across CAs. Standardizing the process for all high/elevated risk CAs would enhance overall risk management and ensure consistency across all CAs and/or in the event of change of leadership.	The Manager, Community Partners refine and standardize the process of developing mitigation plans for high/elevated risk CAs without Lease/LOC agreement. **MANAGEMENT RESPONSE** Agreed. The risks presented by CAs / SROs without a Lease/LOC is relatively low, even where specific risk ratings may be elevated or high. In addition, risk ratings should be tied to expectations driven by the agreement set with the partner. **ACTION PLAN** The Manager, Community Partners, will incorporate the work of risk monitoring and agreement compliance into the work being done in response to Recommendation 1b. **LEAD**

	Team Lead NPC, Partnerships
	SUPPORTED BY
	Land Working Group, Partnerships
	COMMITMENT DATE
	December 31,2025

#6: Documentation	
OBSERVATION	**RECOMMENDATION**
NPCs record keeping has been inconsistent and as a result records are not consistently accessible. Examples of issues include: • **Document Filing:** Important documents were not systematically filed, resulting in wasted time searching for them. • **Varied CA Notes:** CA notes were inconsistent; some NPCs used the Community Notes & Plans to document CA's status/issues and others did not. In some cases, only the Team Lead took notes, which were not shared with the NPC, and others relied on monthly reports for documentation. • **Gaps in Records:** In one instance, there was no evidence of NPC support for mitigating organizational risks in 2023 or 2024, leaving the effectiveness of support unclear. • A new NPC was not provided any CA's history, including awareness of the elevated financial risks or mitigation plans, which hindered their preparedness for their first meeting. Currently, there are no clear guidelines on what needs to be documented and how. Inconsistent record-keeping can lead to miscommunication, incomplete information transfer, and gaps in understanding CA's status, ultimately hindering the effectiveness and continuity of support. Insufficient documentation also hampers the ability to measure or demonstrate the effectiveness of NPC actions.	The Manager, Community Partners, develop and implement clear guidelines outlining what needs to be documented and how, ensuring consistency and completeness in record-keeping practices across all NPCs. The documentation could include CA's portfolio (risk, status, history), NPC's work plan related to the support provided to CAs, and the progress of the work plan. **MANAGEMENT RESPONSE** Agreed **ACTION PLAN** Records and information management is vital to ensuring consistent and effective support to CAs / SROs. Work is already underway to standardize community notes, as well as to better utilize the Partnerships CRM to track risk mitigation strategies and progress. The Manager, Community Partners, agrees to continue to advance this work as well as implement guidelines to all City liaisons to ensure consistency of documents required per group and storage location. **LEAD** Team Lead NPC, Partnerships

	SUPPORTED BY
	All NPC Team Leads, Partnerships CRM Committee, Partnerships
	COMMITMENT DATE
	September 30,2026

#7: Completeness of available grant list	
OBSERVATION	**RECOMMENDATION**
Since 2021, a dedicated NPC has maintained and updated a quarterly list of available grants to help CAs assess funding opportunities. The list, shared via email now, serves as the primary source of grant information. NPCs can add other grants to their monthly report based on their knowledge and the needs of CAs.	The Manager, Community Partners, formalize and document the initiative as a process in the Finance-Grant Committee work plan to ensure continuing maintenance and utilization of the grant list.
However, a comparison of the quarterly emails with the grants used by CAs in the OHAT 2023 data revealed that 11 out of 27 grants used by the CAs were not included in the quarterly emails. The main reasons are: **Timing Issues:** Reviews of grant information occurs quarterly, if the grant website is not updated at that time, the grant may be left off the email. **Availability:** Grants included are generally available to all non-for-profit groups, however some grants are limited to specific communities and may not be included in the email list. **New Grants:** Any new grants introduced in a month are sent in a separate email to all NPCs.	**MANAGEMENT RESPONSE** Agreed **ACTION PLAN** The Finance Grant Committee has already incorporated the grant list into the work plan and will continue to assess the availability of grants.
The dedicated NPC is currently developing a grant spreadsheet that will include all relevant details (amounts, application deadlines, descriptions, and website links) to create a searchable database. The intention is to have this database reviewed every 6 months for updates. However, this initiative is not yet formalized and will be discussed with the Finance-Grant Committee in November 2024.	**LEAD** Team Lead NPC, Partnerships **SUPPORTED BY** Finance Grant Committee, Partnerships
Having a complete grant list would enhance NPC's ability to provide consistent and effective support to CAs, improving their financial capacity. An undocumented initiative risks delays or discontinuation if the responsible NPC transitions to a different role.	**COMMITMENT DATE** March 31,2025