

AGLG

AUDIT REPORT
JANUARY 2017



MANAGING THE INHERENT
**RISKS OF LIMITED
HUMAN RESOURCES**

WITHIN SMALL LOCAL GOVERNMENTS
CITY OF FERNIE

A Performance Audit Carried out by the
Auditor General for Local Government of British Columbia



**AUDITOR GENERAL FOR
LOCAL GOVERNMENT**

ACCESSIBILITY • INDEPENDENCE • TRANSPARENCY • PERFORMANCE

MESSAGE FROM THE AUDITOR GENERAL FOR LOCAL GOVERNMENT



1. I am pleased to present this performance audit report on the management of human resources by the City of Fernie.
2. Our performance audits are independent, unbiased assessments, carried out in accordance with professional standards. They aim to determine the extent to which the area being examined has been managed with due regard to economy, efficiency and effectiveness. We conducted our audit in accordance with the standards for assurance engagements set by the Auditing and Assurance Standards Board of the Chartered Professional Accountants of Canada and under the authority of the *Auditor General for Local Government Act*.
3. A large proportion of local governments across British Columbia are small communities. Small local governments face challenges that require a broad range of skills and creativity to address, in part due to the limited staff resources available in smaller communities.
4. Like their larger counterparts, small local government organizations require staff with skills such as the ability to inspire others, foster cooperation and resolve conflict, in addition to professional and technical skills and knowledge. Further, small local governments need managers to understand and perform a range of practical human resource skills, from recruiting, selecting, training, coaching, work plan development, defining and monitoring standards to dealing with employee and labour relations issues.
5. As part of our province-wide risk assessment and prioritization exercise conducted in 2013, human resources management was identified by local government representatives as highly relevant and significant due to the risks and challenges confronting local government managers and their staff in small communities. A few examples of these risks include the requirement for greater skills diversification and broader operational knowledge, recruitment and retention issues, the affordability of remuneration when trying to remain competitive and workplace stress.
6. In carrying out our work, we acknowledge the difference in size and capacity of the local governments we have audited and the resulting variability in how we apply the measurement of audit criteria. Our findings reflect what small local governments should be expected to achieve and takes into consideration whether a local government has dedicated human resources in place.
7. This report outlines our findings in assessing the City of Fernie's management of the inherent human resource management risks it faces as a small local government. The purpose of the audit was to identify both the strengths and challenges of human resource practices within smaller local governments and identify opportunities for improvement and leading practices.

8. This report is not an audit of the dollar values of the City's compensation or its collective agreement bargaining process.

9. The City of Fernie is a small local government with limited capacity and many staff carry out multiple roles in order to deliver programs and services. The City does not have dedicated human resources staff, which has affected its delivery of core human resources services. Fernie has experienced significant turnover of its management team as well as unionized staff over recent years and corporate knowledge and consistency across the workplace have been impacted.

10. I am encouraged to see the City moving toward a collaborative arrangement to share human resources services with its East Kootenay partner municipalities. Arrangements such as this offer an opportunity for participating local governments to benefit from valuable services they otherwise may not be able to afford. We encourage local governments to explore this type of arrangement where it may be cost-effective.

11. For Fernie, this offers an opportunity for the City to add specific leadership and expertise to its delivery of core human resource services. More effective and efficient human resource practices will have a positive impact across the City's operations in both the short and longer terms. Further, Fernie's recent appointment of a new chief administrative officer offers an opportunity for the City to address many of the findings in this report.

12. Our report recognizes that, as a small local government, the City may not be able to address all of the recommendations with the same priority or approach as a larger community might. We hope this report will help Fernie enhance its human resource management and advance the public interest through good governance, performance management and decision-making. In addition to this report, we encourage the City to make use of valuable human resources tools such as the Local Government Management Association's *Human Resources Toolkit for Local Government Organizations* and *Executive Compensation Toolkit*.

13. I want to thank the City of Fernie for its cooperation during the performance audit process and their action plan in response to our findings and recommendations.



Gordon Ruth, FCPA, FCGA

Auditor General for Local Government

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EXECUTIVE SUMMARY

WHAT WE EXAMINED

14. Small local governments represent the vast majority of local governments in British Columbia. Over 66 per cent of all municipalities have populations fewer than 20,000 people and of these, two-thirds have a population less than 5,000.
15. Small local governments face similar challenges to their larger counterparts, as increasing workplace complexity and skill requirements, an older workforce and changing community demographics impact the nature of work and how it is carried out.
16. However, these challenges are heightened for smaller governments that have limited resources, capacity issues, and face increasing competition for skilled staff. Many small municipalities and regional districts lack the skills, tools and resources to address these and other human resource (HR) challenges effectively.
17. The overall purpose of the audit was to identify strengths and challenges of human resource practices within smaller local governments and to identify opportunities for improvement and leading practices.
18. Our specific audit objectives were to assess whether human resource planning activities help enable local government to meet the public interest and to assess whether human resource management activities support leadership and career development and the achievement of the public interest. We reviewed current human resource planning and management practices and, where information was available, data and records from the 2011 to 2015 period for data and trend analysis.

WHAT WE FOUND

19. Fernie is a historic mining centre that has undergone significant economic and demographic changes over the past 20 years. Today, Fernie has increased emphasis on its service sector and its role as a retirement community. City staff advised us that up to 30 per cent of the City's single family homes are secondary residences owned by non-residents. Several new subdivisions are in various stages of planning in anticipation of growth and development and housing affordability is a growing issue.
20. Over the period covered by the audit, both the City's organization and its workforce have remained relatively static in size, structure and services. There are numerous competing interests and priorities across City operations and Fernie has done a good job of deploying staff to address priorities such as snow removal, road maintenance and water treatment.
21. The extension of the City's boundary to include West Fernie and the resulting addition of some 450 new residents within municipal boundaries has prompted Fernie to reconsider its workforce planning and human resource management practices.
22. Earlier this year, the City approved additional staff capacity to meet the needs of its increased population. It also decided to add dedicated human resources (HR), planning and communications resources. Over time, Fernie will need to take further steps relating to workforce planning and capacity as the City grows and develops, as its infrastructure ages and to address its aging workforce. Fernie's addition of dedicated HR resources, targeted for 2016/17, is timely and should assist the City in addressing many of the HR issues identified in this audit.

Exhibit 1 - RECOMMENDATIONS

23. A point of emphasis for the City should be to assist in strengthening organizational health and wellness and promoting accountability for strong performance across the municipality.

24. Emphasis should also be placed on strengthening the oversight and delivery of critical HR services such as recruitment and retention, training and development, performance management and health and safety, as ineffective practices in these areas create risks to operational effectiveness. Alternatively, responsibility for these core activities could be delegated to the senior management team with oversight and leadership from the soon-to-be added HR specialist.

25. Further, consideration should be given to an integrated system for developing job descriptions, job evaluation, recruitment and selection, performance management and training. Complete, accurate and up-to-date job descriptions are the foundation for all of these processes. Such a systems approach can serve to strengthen many of the City's core HR services, which are currently lacking.

26. Finally, gaps in its provision of core HR services such as HR administration, policies and procedures, information and data should be addressed. Over time, the City should also implement strategic workforce planning to better prepare for the future.



HR PLANNING RECOMMENDATIONS

1. The City of Fernie should develop a human resources work plan linked to its corporate objectives and focused on addressing key HR priorities, including:

- Fostering a strong organizational culture and a healthy workplace
- Coordinating the delivery of core human resource services
- Addressing gaps in human resources administration

2. The City of Fernie should undertake key workforce planning initiatives, including:

- Continuing to identify service levels across the organization
- Undertaking an organizational review that includes exploring opportunities for corporate restructuring
- Conducting cost-benefit analyses on the use of contracted service delivery
- Developing a long-range workforce plan that considers pending retirements, succession planning and cross-training

3. The City of Fernie should address staff recruitment and retention issues by:

- Developing a comprehensive recruitment policy that addresses gaps in procedures and documentation practices
- Developing a recruitment and retention strategy that addresses immediate recruitment needs and considers potential compensation issues

Exhibit 1 - RECOMMENDATIONS



HR MANAGEMENT RECOMMENDATIONS

- Documenting formal disciplinary records and ensuring they are signed by the supervisor

10. The City of Fernie should develop a set of ethical conduct standards and a conflict of interest policy and procedures for all employees, including procedures for the disclosure, reporting and documentation of conflict of interest incidents.

11. The City of Fernie should enhance staff communication by:

- Strengthening the governance of the CUPE Labour Management Committee
- Increasing communication and leadership within the corporate management team
- Implementing an employee engagement program

HR ADMINISTRATION RECOMMENDATIONS

12. The City of Fernie should enhance its human resources-related policies and procedures by:

- Reviewing and updating its employee policies and procedures, address key gaps in HR policies and procedures and establish a process for the systematic and timely review of policies and procedures
- Establishing a process for management approval of administrative policies and procedures

13. The City of Fernie should enhance its tracking of key employee information and measurement of its human resources-related performance by:

- Tracking employee overtime and leave
- Developing a payroll procedural manual
- Analyzing and considering HR indicators to assist in human resource planning and management
- Reporting on key HR indicators to senior management and Council

ABOUT THE AUDIT

27. The overall purpose of the audit was to identify strengths and challenges of human resource practices within smaller local governments and identify opportunities for improvement and leading practices.

28. Our specific audit objectives were to assess whether human resource planning activities help enable local government to meet the public interest; and to assess whether human resource management activities support leadership and career development and the achievement of the public interest.

PERIOD COVERED BY THE AUDIT

29. The audit covered current human resource planning and management practices and the 2011-15 period for data and trend analysis. We completed examination work in July 2016.

AUDIT SCOPE AND APPROACH

30. The audit included a review of the local government's human resources planning and management functions. The audit did not include the assessment of compensation dollar values or collective bargaining processes.

31. In carrying out the audit, we reviewed a range of documents related to human resources planning and management. We also interviewed elected officials, senior management, middle management and front line employees as well as CUPE local union representatives.

AUDIT CRITERIA

32. Performance audit criteria define the standards against which we assessed the local government's performance. We express these criteria as reasonable expectations for the local government's management of its human resources in order to achieve expected results and outcomes.

33. Below are the criteria we used to assess the local government:

HUMAN RESOURCE PLANNING

- ▶ A human resources plan is developed, linked to organization and strategic objectives, communicated to staff and reported.
- ▶ The local government has analyzed their workforce and developed a recruitment strategy to address their requirements.
- ▶ A succession plan for critical or key roles has been developed.
- ▶ Employment contracts are appropriate, adequately reviewed, and contain clauses that minimize operational, financial and reputational risks.
- ▶ Compensation levels are set based on industry benchmarking.

HUMAN RESOURCE MANAGEMENT

- Job descriptions, competencies and qualifications are established and used for recruitment.
- Selection processes are fair, transparent and merit-based.
- Orientation, training and development programs, plans and procedures are in place.
- Senior management has performance measures linked to local government objectives and performance appraisal is conducted.
- There is a process to build a healthy workplace and to address related legal issues.

HUMAN RESOURCE ADMINISTRATION

- HR policies and procedures are in place and address key functions.
- An HR information system is used to assist in managing key functions and HR reporting to senior staff and council is conducted.

34. Our measurement of these audit criteria reflects the size and capacity of each audited local government and acknowledges the differences in what local governments of varying sizes should be expected to achieve. It also takes into consideration whether a local government has dedicated human resources in place.



INTRODUCTION

35. This report presents the results of a performance audit conducted by the Auditor General for Local Government of British Columbia (AGLG) under the authority of the *Auditor General for Local Government Act*.

36. We conducted this audit under the audit theme “Fiscal Sustainability Planning, Capacity and Internal Operations.”

37. We selected the City of Fernie and four other local governments (District of Squamish, City of Nelson, District of Port Edward and District of Tofino) to be included in this set of audits. These local governments represented a cross-section of smaller local governments, in various regions and facing diverse pressures and challenges.

LOCAL GOVERNMENT HUMAN RESOURCES

38. More than two-thirds of British Columbia local governments are small, serving communities with populations of fewer than 20,000 people. Of these small local governments, most are very small, serving communities with populations of fewer than 5,000.

39. In 2012, BC local governments employed more than 39,000 people, an increase of 47 per cent since 2001. Given the size, breadth and scope of local governments, it is important that they effectively manage and administer their human resources.

40. In considering the performance of local governments, members of the public may tend to focus more on financial and operational results than on human resource management. However, labour costs are a big part of local government expenditures and effective human resources management can have a big impact on both the effectiveness of program delivery and financial results.

41. Everyone employed by a local government practices human resources management in one way or another. Individual employees follow their assigned job descriptions, engage in training and development activities and set performance goals and objectives for themselves.

42. Middle managers and supervisors assist in workforce planning, carry out performance appraisals, recruit, select and orient new employees and may be involved in discipline or termination activities.

43. Senior management ensures that legislative requirements are met, undertakes strategic, longer term human resources planning and helps ensure that the organization has the human resources capacity to achieve its objectives. They also develop and approve human resources initiatives that contribute to a positive, healthy workplace such as wellness, rewards and recognition.

44. Where a local government has a human resources department, it can provide strategic, operational and transactional support to ensure an effective and efficiently operating workforce. Human resources departments can provide a mix of advice and guidance, administrative support, policies, procedures, tools and templates.

45. In many local governments, the finance department, with the assistance of staff across the organization, tracks attendance, manages payroll and leave and ensures salary and benefits are accurate for every employee.

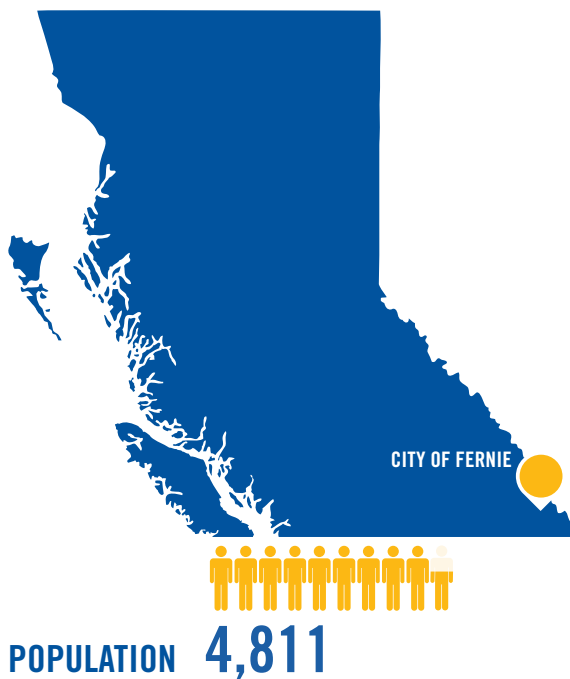
46. Collectively, staff across the organization are responsible for ensuring the local government achieves the goals its council or board establishes. Consistency of practices, collaboration among departments and alignment of human resources planning with business planning can help make sure human resources management contributes positively to organizational results.

CONTEXT

COMMUNITY PROFILE

47. The City of Fernie is situated among mountains in the Elk Valley, located in the southeastern corner of British Columbia. Geological and geographical characteristics of this location have affected Fernie's ongoing transition from a hundred-year old coal-mining community to a destination for recreation and tourism.

Exhibit 2 - CITY VISUAL FACTS



AREA 14.83 SQKM

INCORPORATED 1904

Source: BC Stats 2011 (www.bestats.gov.bc.ca)

48. Fernie is linked to markets in Alberta, the United States and the world by Highway 3 and the Canadian Pacific rail line, both of which pass through its centre. Though the local population decreased for more than two decades from its high in the early 1980s, recent years have seen rapid growth in tourism and related industries.

49. In 2011, Fernie's population was 4,811 according to the Canada Census. BC Stats estimated that this declined to 4,308 in 2015. In 2011, the city's median age was 40.1, which is close to the national median of 41.5.

50. Fernie is a regional service centre in the Regional District of East Kootenay and boasts a relatively diversified economy compared to some surrounding communities. Two sectors – natural resources and tourism – are particularly important. Fernie's Chamber of Commerce estimates that as much as 50 per cent of Fernie's population is tied to the coal mining industry. However, Fernie's recreational amenities, scenery and historic small-town charm have created a growing tourism and recreation economy.

51. Fernie's mountainous surroundings and consistently high snowfall have brought investment in ski hills and lodges over the past 20 years and more. The city has a thriving arts and culture scene, with visual and performing arts available throughout the year. As the tourism industry has developed, and with improvements to transportation infrastructure such as Highway 3 and the regional airport in Cranbrook, local resort investment has soared. With mountain biking, golfing and skiing, tourism in Fernie has become a year-round industry and the City is one of 14 BC communities designated by the Province as a Resort Municipality, resulting in an annual financial contribution from the provincial government.

52. In recent years, Fernie has seen increasing real estate costs, in some cases beyond what is affordable for many residents. In Fernie's most recent (2013) Quality of Life Survey conducted by the City, the number one housing concern was the cost to buy a house, followed by a lack of affordable lots and the increased cost of rental suites. There are a high number of homeowners for whom Fernie is their second home. Almost 30 per cent of housing units are occupied on a part-time basis.

53. In 2014, there were 1,990 occupied private dwellings in Fernie, with a median value of \$395,000. According to Multiple Listing Services statistics for Fernie, between 2012 and 2015, real estate sales ranged from 101 up to 141 units annually.

LOCAL GOVERNMENT PROFILE

54. The City of Fernie is overseen by the Chief Administrative Officer (CAO), who is supported by a corporate management team. This senior team consists of the directors of Corporate Administration Services, Financial and Computer Services, Fire and Emergency Services, Leisure Services, Operational Services, and Planning. The CAO is also responsible for human resource services. The City does not have dedicated human resource staff.

55. The City's former CAO, who also led the Administration Department, left the City in June 2016, during the course of our audit. An interim CAO, who joined the City at that time, worked with the City to recruit a permanent CAO. At the time of writing, the new CAO is expected to start with the City on November 1, 2016.

56. In 2014, the City's workforce consisted of an estimated 55 full-time equivalent positions (FTE's). This figure remained the same in 2015. The City was unable to provide us with accurate FTE counts for previous years covered by the audit, although staff told us there was little change in workforce size.

57. The City's workforce is represented by two unions: the Canadian Union of Public Employees (CUPE) and the International Association of Fire Fighters (IAFF).

58. The City's percentage of management compared to non-management staff was approximately 12 per cent compared to 88 per cent. The percentage of exempt compared to unionized employees was 18 per cent compared to 82 per cent. We were informed that these ratios stayed fairly stable during the period covered by the audit.

59. Fernie is in the final stages of expanding its municipal boundary to include West Fernie and its 450 residents. When this is complete, the city's population will approach 5,000 people. This expansion will require additional municipal infrastructure and expenditures. Should the population reach 5,000, the City will become responsible for 70% of its policing services costs.

60. *Exhibit 3* provides a financial snapshot of the City's operations. The City's revenues remained at approximately \$14 million from 2011 to 2014 and increased to \$17 million in 2015. Developer contributions accounted for most of this revenue increase. The City's annual expenditures were stable in the range of \$11 to \$12 million during the period covered by our audit.

Exhibit 3 - CITY OF FERNIE FINANCIAL SNAPSHOT

	2011	2012	2013	2014	2015	% change
Revenue	\$13,915,383	\$13,544,168	\$13,497,046	\$13,953,014	\$17,025,826	22%
Expenditure	\$11,240,517	\$11,072,974	\$11,746,183	\$12,064,193	\$11,855,811	5%
Annual Surplus	\$2,674,866	\$2,471,194	\$1,750,863	\$1,888,821	\$5,170,015	93%

Source: City of Fernie Annual Reports

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Overall, the City of Fernie faces a number of risks stemming from capacity challenges across the organization.

61. The purpose of our audit was to identify strengths and challenges of human resource (HR) practices in small local governments and identify opportunities for improvement and leading practices. We assessed whether human resource planning and management activities helped the local government achieve its objectives, support leadership and career development and advance the public interest.

62. Our findings are based on a review of the City's human resource practices, policies and systems. We examined relevant documentation and data and we held discussions with key management and staff, as well as elected officials.

OVERVIEW

63. Overall, the City of Fernie faces a number of risks stemming from capacity challenges across the organization as well as from its limited human resources function. However, the City is exploring a shared human resources model with several East Kootenay partner municipalities. This collaborative arrangement offers an opportunity for the City to add leadership and expertise to the delivery of its core human resource services. Dedicated HR resources will help to provide leadership across the organization and should play an important role in reducing key HR risks, by addressing the City's HR priorities, as well as by ensuring the consistency and standardization of HR administration and in the delivery of core HR services.

64. Staff turnover, an aging workforce and ongoing capacity issues will require the City to adopt a longer-term, more integrated approach to workforce planning than it has taken in the past.

65. Recruitment and selection processes need to be supported by more detailed policies and procedures, and the City should develop a recruitment and retention strategy to support projected retirements over the next several years.

66. Job descriptions are the foundation for effective recruitment, training and development and performance management. The City should take steps to ensure all employees across the organization have a current job description with qualifications that closely match their actual job duties, requirements and expectations.

67. The City is facing potential turnover in several key staff positions. It should identify succession plans for these and other critical positions to mitigate risks to service delivery. Cross-training, employee coaching and mentoring and exit interviews should be part of the City's succession planning process.

68. The City has opportunities to enhance employment agreements and undertake compensation reviews to address financial and operational risks it faces.

69. The City should take steps to centralize both staff training and development and its performance appraisal processes. A training plan linked to corporate strategies, operational requirements and employee development can serve to prioritize training, and assist in measuring financial and operational results.

70. Fernie's employee policies and procedures are in need of updating, and the City should identify and report on a set of human resources information and data to both senior management and Council. This would assist the City in its human resource management and decision-making.

71. The City pays close attention to occupational health and safety and should pay similar attention to managing organizational health and wellness. This would help address communications issues, strengthen operational results, build employee engagement and enhance overall accountability across the workplace.

ROLE OF HUMAN RESOURCES UNIT

72. Our audit objective involved a review of the role the Human Resources Unit plays in enhancing human resources planning and management activities across the organization. Fernie does not have such a unit or any dedicated HR support positions. However, there are core HR practices and procedures that must be in place, regardless of whether the local government has an HR department, in order to minimize risks to its effective functioning.

73. For example, a local government should have a workforce plan linked to service levels, job descriptions should be current, exempt staff compensation should be properly benchmarked and the occupational health and safety program should be aligned with WorkSafe BC requirements. Further, recruitment and selection processes should be fair and transparent and the local government should have policies and procedures in place that support training and development, succession planning and performance management. Finally, the local government should have a set of key HR data and information that can be used to enhance decision-making across the organization.

74. While Fernie has no HR department or dedicated HR resources, it is one of three Elk Valley municipalities (Sparwood and Elkford are the others) that have approved 2016/17 funding for shared human resources services. These three local governments are in the process of developing a joint framework to implement this model.

75. These shared dedicated HR resources will help to provide leadership across all three organizations and will play a key role in ensuring consistency and standardization of HR administration and the delivery of core HR services.

76. In Fernie, the incoming HR specialist should focus on fostering a strong organizational culture and a healthy workplace by considering a range of employee engagement initiatives. In doing so, the specialist should strongly consider developing and implementing processes and procedures for

reviewing and updating job descriptions and qualifications, developing an orientation program for new employees, coordinating training and development and, perhaps most importantly, attending to employee performance appraisal and management. All of these HR activities, when aligned, can strengthen the workplace environment.

77. The HR specialist should also assist in coordinating and delivering critical HR services such as staff recruitment and retention, training and development, performance management and occupational health and safety. Alternatively, responsibility for these core activities could be delegated to the senior management team.

78. The City should also address gaps in the provision of core HR services such as HR administration, policies and procedures, information and data. Over time, dedicated HR resources should assist in implementing and overseeing strategic workforce planning. Overall, the HR specialist should develop a work plan linked to the City's corporate objectives and focused on addressing these key HR priorities.

Recommendation 1

79. The City of Fernie should develop a human resources work plan linked to its corporate objectives and focused on addressing key HR priorities, including:

- ▶ Fostering a strong organizational culture and a healthy workplace
- ▶ Coordinating the delivery of core human resource services
- ▶ Addressing gaps in human resources administration

In Fernie, we expect to see workforce planning tied to the local government's strategic or corporate objectives in its business plan.

HUMAN RESOURCE PLANNING

80. Our audit objective involved an assessment of whether human resource planning activities help the local government further the public interest. Human resource planning forms the basis for an effective and efficient workforce.

81. The audit criteria included several key aspects of human resource planning, including long-range workforce planning based on analysis of demands and needs, sound recruitment and retention practices based on current knowledge skills and abilities and succession planning based on mission-critical roles. Human resource planning helps to ensure employment agreements protect both employer and employee from financial and operational risks and that compensation is fair and based on industry benchmarks.

WORKFORCE PLANNING

82. Workforce planning is an important activity that can help ensure that a local government's service levels will be achieved and that risks are minimized in the effective delivery of critical services such as drinking water, waste water and in the development and ongoing operation of key infrastructure including lands and roads.

83. In Fernie, we expect to see workforce planning tied to the local government's strategic or corporate objectives in its business plan, with staffing levels closely linked to service levels. The plan should be from three to five years in duration, subject to an annual review and turnover rates and projected retirements should be factored into the plan, thereby giving consideration to key recruitment, training and development and mission-critical succession planning.

84. In Fernie, each department has historically conducted its own workforce planning, with limited strategic attention and a focus largely on seasonal capacity management, such as summer vacation relief. Recently, efforts at the departmental level to develop more clearly-defined internal and external service levels have improved workforce planning and scheduling.

This was done to minimize daily disruptions and increase operational effectiveness. The City has identified the establishment of service levels as a corporate priority, and as service levels evolve across the organization, progress should be reported on a routine basis.

85. The City's capacity challenges have resulted in many staff employees having multiple responsibilities. The impacts of these capacity issues could lead to operational and financial risks to the City, particularly in areas such as:

- ▶ Core HR administration and services
- ▶ Corporate services
- ▶ Engineering services
- ▶ The City's ability to carry out routine maintenance of buildings and equipment
- ▶ Public health and safety
- ▶ Effective staff supervision
- ▶ Recreational programming
- ▶ Optimal financial management

86. Further, the same individual is responsible for planning and approval functions, which may lead to a real or perceived conflict of interest. Finally, the City employs only one certified planner, no lead hands, no professional engineer and no deputy fire chief, which creates risks to the effective delivery of key operations and services across the City.

87. To address these capacity challenges, maintain service levels and strengthen management oversight, the City should undertake an organizational review that explores opportunities for corporate restructuring, including those which may be opportune as a result of impending staff retirements.

Fernie has an aging workforce and is facing a wave of retirements in coming years.

88. The City owns 32 buildings, including several historic structures that require investments in maintenance and renewal. The City has identified asset management planning as an organizational priority, as well as building internal asset management capacity. This should be a key consideration in future workforce planning. Staff told us that the City has an asset management committee and is developing an asset management plan. This plan should aid in prioritizing and directing the City’s financial and human resources.

CONTRACTED SERVICES

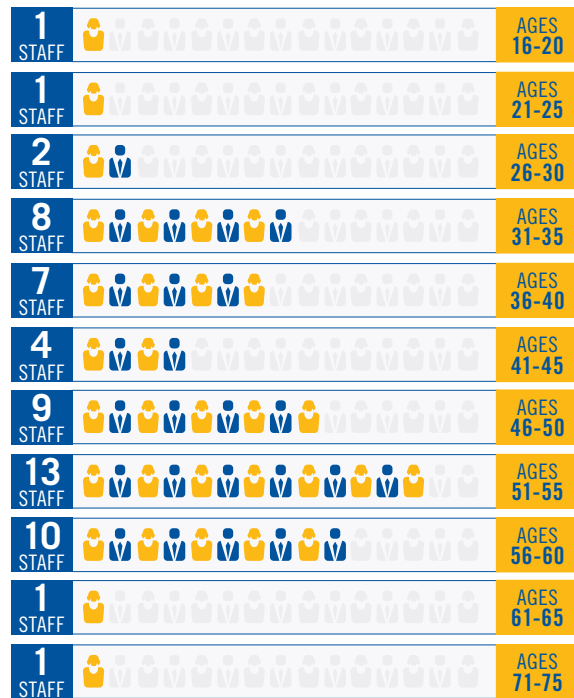
89. The City has made considerable use of contractors in planning, engineering and operations. For some time, it has contracted out a range of operational, engineering, technical and consulting work related to providing core public works services including water, sewer, facilities, equipment and roads. However, the City has not carried out cost-benefit analyses to determine whether the use of contractors is more cost-effective than hiring staff to carry out these tasks.

90. Cost-benefit analyses takes into consideration direct costs such as labour, tools and equipment and materials as well as indirect costs related to contract planning, procurement and management. The City should conduct such an analysis on a case-by-case basis to inform its HR decision-making.

AGING WORKFORCE

91. Fernie has an aging workforce and is facing a wave of retirements in coming years. As *Exhibit 4* shows, the number of staff age 51 or older that may retire in the next five to ten years is approximately 44 per cent of all staff.

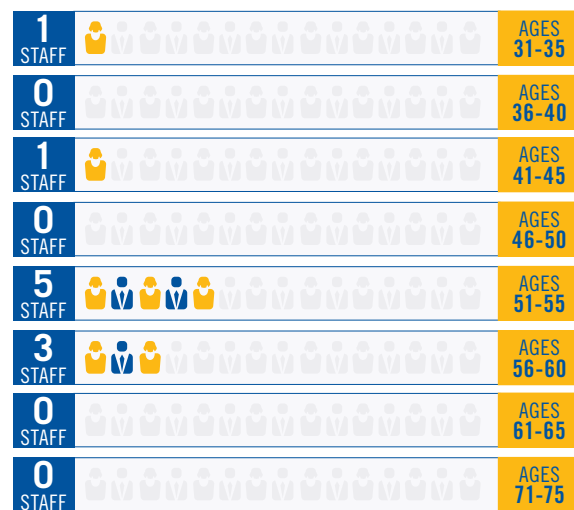
Exhibit 4 – NUMBER OF EMPLOYEES BY AGE



Source: Information provided by City of Fernie on June 30, 2016
Note: We adjusted the total headcount and excluded the following: casual cashiers, casual life guards and casual pool attendants

92. Further, eight out of ten exempt employees are aged 51 or older, as shown in *Exhibit 5*.

Exhibit 5 – NUMBER OF EXEMPT EMPLOYEES BY AGE



Source: Information provided by City of Fernie on June 30, 2016
Note: We adjusted the data to select all exempt staff

93. With an aging workforce, especially in leadership positions, the City will likely need to replace numerous key employees due to retirement. This should be a key consideration in current and future workforce planning across the organization and succession planning and cross-training should be points of emphasis. As part of this, the City should consider developing a recruitment and retention strategy, including elements of staff attraction, which may become more important as Fernie faces increasing housing affordability issues.

94. Over time, the City should take steps to refine its workforce planning practices and adopt a more comprehensive multi-year approach to workforce planning based on an analysis of its workforce, defined service levels and forecasted demand for programs and services. Long-range HR planning should also include succession planning and staff recruitment and retention strategies. Dedicated HR resources should assist in the implementation and oversight of strategic workforce planning.

Recommendation 2

95. The City of Fernie should undertake key workforce planning initiatives, including:

- Continuing to identify service levels across the organization
- Undertaking an organizational review that includes exploring opportunities for corporate restructuring
- Conducting cost-benefit analyses on the use of contracted service delivery
- Developing a long-range workforce plan that considers projected retirements, succession planning and cross-training

RECRUITMENT AND SELECTION

96. Sound recruitment and selection policies and processes help to ensure that a local government identifies screens, assesses and hires properly qualified employees. Recruitment can also shape strategies to attract and retain employees.

97. A local government's selection of qualified staff is critical to its operational effectiveness. In Fernie, we expect there to be fair, open and transparent selection processes, supported by consistent procedures. The City should regularly update job descriptions to reflect current duties, requirements and qualifications. It should establish and document criteria used to select candidates.

98. We also expect the local government to adequately document the results of selection processes and retain that documentation in the event of appeals or grievances. Further, the City should provide all new employees, both union and non-union, with a letter of employment outlining their working relationship with the employer.

99. In BC, local governments have non-union (exempt) staff positions as well as unionized positions. For Canadian Union of Public Employees (CUPE) positions, seniority is often a significant consideration in hiring and promotion decisions and, depending on the wording of the collective agreement, may be the determining factor in some circumstances. In comparison, the City fills exempt vacancies primarily on merit.

100. Fernie's staff recruitment and selection is largely decentralized. The Chief Administrative Officer (CAO) approves recruitment before each hiring process starts, may be involved in exempt staff hiring and recommends to Council that an individual be appointed to the position. However, there is no single point of accountability for ensuring that recruitment and selection are fair, transparent and merit-based and there are significant gaps in the City's recruitment practices and documentation.

The City told us that, overall, staff recruitment has not been a challenge for Fernie, with the exception of two positions: certified wastewater operator and qualified corporate officer.

101. Our review of Fernie’s staff recruitment files noted that important elements of the selection process, including candidate scoring, ranking and seniority were adequately documented in only two of the five staffing files we reviewed. In the other files, documentation varied from only an offer letter to interview questions and incomplete scoring matrices. In three of the five processes, documentation in the files did not indicate whether the most qualified or most senior person was the successful candidate. This creates risks in the areas of fairness and transparency.

102. The City’s hiring policy formalizes the recruitment of new or vacant permanent employment opportunities. The policy is limited to outlining procedures for job postings and does not contain adequate guidance to ensure that hiring processes are objective, transparent and merit-based.

103. The City should develop a more comprehensive recruitment policy that addresses gaps in both procedural and documentation practices. Having a dedicated HR manager should assist in this process. A recruitment file checklist is a good practice to help ensure completion of procedures, consistency and adequate documentation.

EMPLOYEE TURNOVER

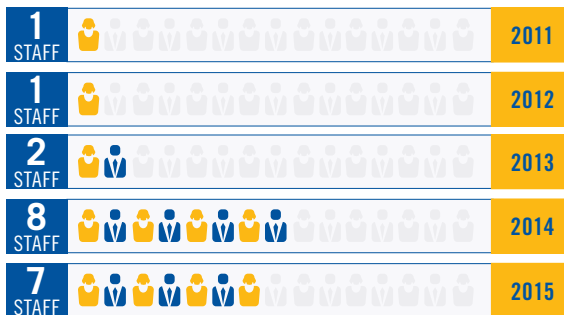
104. During the period covered by the audit, the City’s recruitment has focused on replacement rather than creating and hiring for new positions. As shown in *Exhibit 6*, there have been 19 new hires since 2011, largely to replace retired staff members. The City anticipates up to six additional employee retirements within the next few years.

105. During the 2011-15 period covered by the audit, there were exempt staff turnover of four positions, or 40 per cent, primarily as a result of staff leaving to take similar positions elsewhere (this excludes the recent CAO departure, which is outside of the audit period). This level of turnover has affected operational consistency, corporate knowledge, communications and teamwork and

ultimately, staff morale. During the same period, CUPE staff member turnover occurred in 16 positions, equivalent to 34 per cent of unionized positions, with the majority occurring in 2015. The City has not documented the reasons for CUPE turnover, although staff told us this was largely due to retirements.

106. The City told us that, overall, staff recruitment has not been a challenge for Fernie, with the exception of two positions: certified wastewater operator and qualified corporate officer. However, given the rate of recent attrition, combined with increasing housing affordability issues in Fernie, the City should consider developing a recruitment and retention strategy that addresses immediate recruitment needs and considers potential compensation issues. The incoming HR specialist should lead this effort.

Exhibit 6 – NEW HIRES 2011-2015



Source: Information provided by City of Fernie on June 30, 2016
Note: Numbers have been adjusted to exclude hiring of casual aquatic centre staff

Recommendation 3

107. The City of Fernie should address staff recruitment and retention issues by:

- Developing a comprehensive recruitment policy that addresses gaps in procedures and documentation practices
- Developing a recruitment and retention strategy that addresses immediate recruitment needs and considers potential compensation issues

JOB DESCRIPTIONS AND QUALIFICATIONS

108. Job descriptions are an essential element of a local government's recruitment and selection process. A good job description helps in selecting the right person, clearly outlines expectations and ensures employees are held accountable for the requirements of the position. We expect the City to have an approved job description for every position that documents the activities of the role, knowledge, skills and abilities to competently perform those activities, and other special requirements as needed.

109. We further expect Fernie to review and update job descriptions regularly or as required to reflect any significant changes in the duties of positions, to ensure that each position is aligned with the organization's strategic direction and, ultimately, to ensure the best-suited candidates are recruited and selected. By keeping job descriptions current, a local government also enables the development of a skills inventory and succession planning.

110. Fernie does not have a defined process to regularly review and update job descriptions; this has created risks to effective recruitment and selection. Not all exempt staff have formal job descriptions, and instead rely on their job posting as documentation of their duties and responsibilities. Some of the City's exempt job descriptions are in need of updating to ensure they are current, relevant and accurately reflect the major responsibilities of each position.

111. The city should develop job descriptions for all exempt staff positions. These should be dated, signed by the CAO and regularly reviewed. In developing these job descriptions, the City should use its current job postings for exempt positions as a solid starting point. The City could also request sample job descriptions from other local governments to assist in developing their own job descriptions.

112. The recruitment of unionized employees has been a contentious topic in Fernie and the basis for 9 of 17 (53%) union grievances during the period covered by the audit (see *Exhibit 14*). Most grievances related to differing interpretations of the collective agreement and the generic nature of job descriptions and listed qualifications.

113. Job descriptions for CUPE unionized positions are included in the collective agreement. These may not always adequately describe tasks and responsibilities, qualifications and special requirements of each position. Staff told us that some of these job descriptions have not been revised since the 1980s. While the City has made attempts to enhance some job descriptions by including required skills and certain proficiencies, the vast majority remain outdated and require review and update. For new unionized positions, the City develops job descriptions outlining roles and responsibilities and negotiates the job description with the union prior to conducting a recruitment process.

114. The LGMA *Human Resources Toolkit* recommends that local governments integrate or align their job description with their staffing and performance appraisal systems. Small local governments that don't have dedicated HR capacity should consider following such an approach. This method is premised on using the job description as the starting point for the other processes and such a systems approach could strengthen many of the core HR services in Fernie that are currently lacking. This approach is outlined in *Exhibit 7*.

Exhibit 7 – A SYSTEMS APPROACH TO BUILDING CORE HR PRACTICES

A systems approach involves using the knowledge, skills and abilities (KSAs) as well as the qualifications listed in each job description as the foundation for core HR functions. The big advantages of this approach include the synergy of using common criteria, making systems specific to individual jobs and avoiding complaints of inconsistency.

The first step is preparing job descriptions. Typically, this consists of three or more sections describing key duties, knowledge, skills and abilities and qualifications. The KSAs and qualifications must be consistent with key duties and the language carefully chosen to reflect differences between positions. The LGMA ‘Human Resources Toolkit’ section 3.1 includes a KSA dictionary.

The second step is to incorporate the KSAs and qualifications into staff recruitment documents by making them the selection factors. This leads to creating a rating guide for scoring applicants and a template for developing position-specific questions to include in job interviews. The LGMA ‘Human Resources Toolkit’, section 1.2 describes this process.

The third step is to incorporate the KSAs into a performance appraisal document. This works for both probationary and annual reviews. In this manner, the appraisal is position-specific and consistent with the other processes. The LGMA ‘Human Resources Toolkit’ sections 1.3 and 3.2 outline this process.

This systems approach can also be used to integrate performance evaluation and staff development processes.

Recommendation 4

115. The City of Fernie should ensure that all staff positions have job descriptions that are current, relevant and accurately reflect the primary responsibilities of the position.

SUCCESSION PLANNING

116. Succession planning is a leading practice that can serve to reduce risks to the safe, effective and efficient delivery of services to residents. Succession planning is one of the benefits of a sound staff training and development system. For it to be effective, we expect local governments to carry out succession planning in a deliberate and systematic way.

117. In Fernie, we expect to see a succession plan in place for all mission-critical positions and skills: those that are essential to the effective functioning of the organization and are typically difficult to recruit. The strategy should address staffing changes and unplanned vacancies and

should involve both short-term “backfill” as well as longer-term plans. As a leading practice, such strategies should start with the identification and development of current employees.

118. The City is facing potentially significant turnover within its senior management ranks over the next five to ten years. Succession planning can help to ensure key corporate knowledge and information is transferred to prevent its loss, and to position the City to effectively manage both planned and unplanned turnover in key positions.

119. The City has included succession planning in its 2014 to 2018 Corporate Strategic Plan. To date, one succession plan involving building inspection positions has been developed and documented, and plans for temporary backfilling of key positions are in place. The City has more work to do to formally identify key, critical roles and skill sets.

Exhibit 8 – EXIT INTERVIEWS — A GOOD PRACTICE

Local governments should routinely carry out exit interviews with all departing employees, and, in particular with retiring employees prior to their departure in order to tap into their significant corporate history and knowledge.

Further, interviews should enquire around the effectiveness of programs, policies and procedures and emerging skill sets and qualifications.

120. Fernie should take steps to formalize succession plans for those key roles facing potential turnover due to retirement and where there are risks to operations and service levels. For the City, these critical skills include accounting and corporate administration, planning and approval, fire services, asset management and operations management. Further, as an element of succession planning, the City should conduct exit interviews with all departing employees, as described in *Exhibit 8*, as a tool to gauge operational strengths and weaknesses and identify opportunities for improvement.

Recommendation 5

121. The City of Fernie should enhance its succession planning and information transfer from departing employees by:

- Formalizing its succession planning with an emphasis on mission-critical skills
- Conducting exit interviews with all departing employees

EMPLOYMENT AGREEMENTS

122. Employment agreements for exempt staff are useful tools that provide certainty to both the employer and employee. They also help reduce potential disputes and allow for predictability of costs. We expect Fernie to have signed employment agreements setting out duties and compensation benefits and clearly delineating working conditions. Local governments should enter into signed employment agreements with all exempt staff.

123. In Fernie, the City's employment agreement template for exempt staff contains important clauses addressing duties and responsibilities, compensation, benefits, performance evaluation, sole occupation, leave entitlements, probationary periods, termination and severance, as well as severability. The agreement includes general conduct requirements and requires staff to adhere to the LGMA Code of Ethics.

124. The employment agreement template lacks a clause dealing with education/training. Such a clause typically outlines the types of professional development opportunities supported. The City should address this gap. As well, the template does not contain a clause clearly outlining a process to resolve disputes between the employer and employee, whether through mediation, arbitration or some other specified, mutually-agreeable process. A process for dispute resolution can eliminate ambiguity and inconsistency and can minimize financial impacts; the City should consider developing such a policy.

125. City staff told us that employment agreements are typically reviewed by legal counsel when hiring for a senior management position is underway. We were also advised the most recent review was carried out with the interim CAO staffing process in 2015. The employment agreement for future exempt staff should be reviewed by the city's legal counsel in order to reduce potential risks to the city.

Recommendation 6

126. The City of Fernie should enhance its employment agreements with excluded staff by adding an education/training clause to its employment agreement template.

COMPENSATION

127. Compensation can have a big impact on staff recruitment and retention. Critical leadership skills, as well as financial, technical and operational skills and knowledge can be placed at risk when compensation packages are not competitive. We expect Fernie to have a compensation policy along with regular compensation reviews. Compensation reviews are useful in determining an affordable and balanced approach to total compensation.

128. The City has a compensation policy and a salary grid that have been in place since 1992. Given its age, these documents should be reviewed for relevancy. The most recent organizational compensation review was conducted in 2013, with a similar review conducted in 2010. The review was completed under the supervision of the CAO at the time.

129. The 2013 compensation review resulted in pay increases for all exempt staff equal to the highest annual wage increase during the then-current collective agreement. In addition, a compensation survey was conducted for senior staff positions at the same time.

130. While internal review processes such as those carried out in 2010 and 2013 are adequate for compensation adjustments, the City should hire an independent third party to carry out a more robust and comprehensive compensation review. Such a review could guide discussions around a compensation philosophy for the City,

and would provide the City with additional assurance around the reasonability of its total compensation package, including both salary and non-salary compensations. Further, non-salary compensation should also be considered as part of a recruitment and retention strategy.

Recommendation 7

131. The City of Fernie should conduct an independent compensation review.

HUMAN RESOURCE MANAGEMENT

132. Human resource management involves a number of key functions and practices supporting an effective workplace and are essential to employee and organizational success.

133. Our audit objective involved an assessment of whether human resource management activities support local government leadership and employee development and the achievement of the public interest. Audit criteria included key elements of human resource management: orientation provided to new employees, training and development programs and plans that support employee and organizational success, systems for performance appraisal that link individual and organizational goals, an occupational health and safety program that mitigates workplace risks, the promotion of standards for ethical behaviour and labour relations governance that contributes to organizational wellness.

ORIENTATION, TRAINING AND DEVELOPMENT

134. Sound orientation can help to ensure that newly-hired employees get off to a good start. We expect the City to provide all new employees with an orientation both to their position and to the organization and its expectations. An orientation package should include information on human resource management policies and procedures, code of conduct, health and safety requirements, employee benefits, the organizational and management structure, mission and goals as well as programs, services and expectations.

Overall, the City's approach to training is inconsistent and has included little support for corporate, administrative or leadership types of training.

135. The purpose of training and development activities is to maximize employees' contributions to the organization's goals and objectives. It is important for organizations to invest in training and development for their employees. For example, the Conference Board of Canada reported that Canadian organizations spent an average \$800 on training and development for each employee in 2014-2015.

136. We expect to see training and development activities in Fernie that address operational issues and assist in the introduction of new programs and services, changing skill requirements and evolving organizational expectations and priorities. Training and development also supports succession planning.

137. To increase the overall effectiveness of training and development, we also expect to see training objectives that support business objectives and that are tied to each employee's development plan. The local government should have an organization-wide training plan and an established training budget that is updated annually. The results of training and certification should be measured and documented in a central location. The budget allocation for these activities should be analyzed annually to inform future allocations.

ORIENTATION

138. The City lacks an orientation package or employee handbook for new staff and does not provide corporate orientation facilitated by the CAO. Departments manage their own job orientation, which focuses mainly on job duties and safety. Staff told us that the City is currently developing an employee handbook.

139. The City should develop an orientation program, including key information on the employee communication network, organizational structure, key employee policies and procedures, code of conduct requirements and occupational

health and safety. The orientation package and understanding of the code of the conduct should be signed-off by the employee. Further, newly-hired employees should meet with the CAO when they first start to be informed of organizational standards and expectations.

TRAINING AND DEVELOPMENT

140. The City has a training policy and procedures that address mandatory certifications as well as other development needs and requests. However, Fernie has tended to focus more on operational certifications and less on professional and other training and development activities. Staff told us that the City has largely denied employee requests for professional and other training.

141. Further, Fernie's training policy requires employees to identify training requirements through their performance planning and review process. Because employee performance evaluations are not consistently carried out, this results in employees having little opportunity to pursue training other than by acting on their own. Overall, the City's approach to training is inconsistent and has included little support for corporate, administrative or leadership types of training.

142. The majority of the City's training and development activities are carried out by individual departments and there is no centralized oversight of training requirements across the City. There is no corporate training plan and documentation of training plans and records is decentralized. This could potentially create health and safety risks and, in one department, Ministry of Environment mandatory certification requirements have not been met; the City is aware of this and is taking action to resolve it. The Operations Department uses a system called DATS to record training and certification activities, and the City should consider using that system as a standard across the organization.

143. The City should centralize training records and formulate a corporate training plan. This would help prioritize training, development and certification needs. Centralization would also reduce risks to employee and public health and safety, and assist in maximizing training budgets, closing skills gaps and ensuring that operational needs are adequately addressed.

144. The Operations Department has recently implemented a heavy equipment operator training program to address safety, proficiency and maintenance. Training and certifications are tracked using DATS and staff told us that efforts are being made to discuss performance and training needs with each employee.

145. The City's corporate plan outlines cross-training as a corporate strategy. Cross-training has numerous benefits, as described in *Exhibit 9*. While there has been some emphasis on cross-training, there has been little emphasis on development and advancement. This has resulted in at least two grievances during the period covered by the audit.

146. Staff told us that the City takes advantage of scholarship opportunities available for employees, such as those sponsored by the BC Board of Examiners to support staff training and development. A mid-level working group may be a good forum to identify additional training and development opportunities, as well as coaching and mentoring opportunities. Such a group could also ensure that training is closely linked to needs identified through the employee performance appraisal process.

147. The City should also consider implementing a leadership program that includes coaching, leadership skills, interpersonal communication and teambuilding. Such a program could start with the senior management team and, later, be provided to all staff. This is a good practice and helps to ensure that all employees are introduced to organizational goals, standards and expectations, with an overall impact of strengthening organizational culture.

Exhibit 9 – THE BENEFITS OF CROSS-TRAINING EMPLOYEES

Cross-training involves developing skills and proficiencies relating to roles outside an employee's current responsibilities. An in-house cross-training program can prepare employees to take on additional responsibilities and ensure consistency of service when an employee is temporarily absent, on extended leave, or when a position becomes vacant.

Cross-training can also serve as job enrichment for motivated employees who want to multitask, grow in the job and learn new skills. Cross-training of staff also allows an organization to pursue new opportunities without incurring the expense of hiring and training new staff.

Increasingly, cross-training is seen as a creative and cost-effective way to motivate employees, improve team performance, improve quality, develop leadership skills and, ultimately, enhance organizational success.

Cross-training involves planning: finding the time to do it, identifying trainers, selecting the right staff, and ensuring employees can maintain newly learned skills.

Establishing a performance management system should be a priority for the City.

Exhibit 10 – TRAINING COSTS 2011–2015

	2011	2012	2013	2014	2015	2011-2015 % change
Training Expenditure	\$44,157	\$32,977	\$43,900	\$69,202	\$58,108	32%
Annual % Change		-25%	33%	58%	-16%	
City Total Expenditure	\$11,240,517	\$11,072,974	\$11,746,183	\$12,064,193	\$11,855,811	5%
Training as % of Total Expenditure	0.4%	0.3%	0.4%	0.6%	0.5%	
Total Wages & Benefits	\$5,251,542	\$5,404,572	\$5,368,509	\$5,576,082	\$5,543,340	6%
Training as % Wages & Benefits	0.8%	0.6%	0.8%	1.2%	1.0%	

Source: Training Expenditure Reports by Finance and City Annual Reports

TRAINING COSTS

148. Directors identify their training needs largely by considering historical practices as well as safety and certification requirements. A training budget is allocated to each department by the finance department. The City’s analysis of expenditures is limited. Annual training expenditures ranged from \$32,977 to \$69,202 during the period covered by the audit as shown in *Exhibit 10*.

149. Fernie’s staff training budget has accounted for approximately 0.5 per cent of the City’s annual expenditures. Establishing oversight and standards related to training can assist in identifying priorities and accurately forecasting the training budget.

Recommendation 8

150. The City of Fernie should enhance employee training and development by:

- Developing and implementing an employee orientation program
- Considering the formation of a mid-management team to identify opportunities for skills upgrading and cross-training of staff
- Considering the implementation of a leadership program
- Centralizing training records using the DATS system as a standard across the City
- Formulating a corporate training plan
- Monitoring training expenditures and tracking the results of training activities

PERFORMANCE MANAGEMENT

151. We expect Fernie to have in place an ongoing process of performance management with supervisors working collaboratively with their employees in setting work and career goals, identifying needs and evaluating performance, including areas for improvement. Supervisors should provide feedback verbally and informally as well as formally in writing. As a leading practice, employee coaching and mentoring programs could be established to encourage development and support succession planning.

152. In Fernie, there is general acknowledgment by City staff that its lack of effective performance management has affected accountability, morale and operational results across the organization. Establishing a performance management system should be a priority for the City, and the incoming HR specialist should assist in this process.

153. The City has an Employee Performance Evaluation Policy; however this policy is high level and contains no supporting procedures, tools or templates to guide the process.

154. The City has recently developed procedures and tools for evaluating the performance of management staff, although these have not yet been approved by the CAO or formally implemented. The forms created for this are comprehensive and intended to align management performance with municipal goals. They include a self-assessment on performance and development, a management review of performance and a simplified evaluation form for administrative staff. Members of the

Corporate Management Team should take steps to review the new appraisal process, and if appropriate, formally implement it by developing a strategy to roll out the program focused on training staff and management.

155. Individual departments have begun informal performance appraisal discussions with unionized employees, although the City lacks a standardized organizational performance evaluation process or procedures for this and such discussions are typically not documented.

156. Fernie does not have a defined process for Council to assess CAO performance and the former CAO did not have a performance appraisal. Council should consider a holistic evaluation process when undertaking a review of the CAO's performance. A 360 degree appraisal is one example of this and is generally regarded as a good practice for executive performance evaluation. Further, the City should assess CAO performance on the basis of ability to efficiently implement Council strategies and policies, to provide effective administrative management and leadership across the organization, and to communicate matters of significance to Council members on a timely basis.

157. The City has a Discipline Policy that was approved in 1991, including a progressive discipline process intended to address employee discipline issues. However, there is a low level of awareness of the policy among staff and it is not followed. Staff told us that the City's lack of progressive discipline has created difficulties in resolving unionized employee performance issues.

158. The City should ensure that supervisors draft and sign formal discipline records when performance issues are being addressed. In the absence of an HR manager, discipline-related files should be centrally maintained by the CAO to demonstrate past practice, ensure consistency and maintain confidentiality of documents.

Recommendation 9

159. The City of Fernie should enhance its staff performance monitoring and evaluation practices by:

- ▶ Reviewing its management appraisal process and, if appropriate, updating the policy and procedures, formally implementing any changes, and developing a strategy to roll out the changes
- ▶ Developing and implementing a performance appraisal process for unionized employees
- ▶ Considering a holistic performance evaluation process, such as a 360 degree appraisal for the chief administrative officer
- ▶ Documenting formal disciplinary records and ensuring they are signed by the supervisor

HEALTH AND SAFETY, ETHICAL CONDUCT AND LABOUR RELATIONS

160. Workplace health includes the physical and occupational safety and mental health and well-being of employees engaged in a wide range of activities across the organization.

161. We expect the City to be aware of and in compliance with its occupational health and safety obligations as well as all legislative and regulatory requirements it is responsible for. WorkSafe BC has specific requirements for employers of different size workforces and CUPE collective agreements typically require an occupational health and safety committee made up of equal numbers of management and union members.

162. We expect Fernie to take reasonable steps to support a harassment-free workplace and to have policies and procedures to report and investigate complaints of this nature. As a leading practice, the organization should support workplace diversity and inclusiveness and ensure its HR

Overall, Fernie encourages and supports occupational health and safety.

policy promotes non-discriminatory practices consistent with human rights legislation. We also expect the City to have an employee code of conduct, standards for ethical behaviour and conflict of interest policies and procedures to support workplace integrity.

163. Joint labour-management committees should be in place, clearly mandated to oversee how work and working relationships are governed. Grievance procedures should be clearly outlined and processes should be enacted to ensure employees have opportunities for redress.

OCCUPATIONAL HEALTH AND SAFETY

164. Safety training is identified as a corporate strategy for the City and, overall, Fernie encourages and supports occupational health and safety through a range of formal and informal activities including:

- A joint occupational health and safety committee
- An occupational health and safety policy
- Routine workplace and equipment inspections
- The logging and inspection of incidents and maintenance of a corrective action registry that includes information on type, frequency and trends
- Adequately maintained records and statistics on the DATS system (for example, occupational health and safety training and certification records) and reports reviewed by management
- Development of safe work procedures
- Instruction and supervision for employees

Exhibit 12 – SICK LEAVE UTILIZATION

	2011	2012	2013	2014	2015	% change
Sick leave hrs	3,365	3,456	3,464	3,463	2,035	-40%
Short-term sick leave payout	\$40,694	\$26,890	\$46,839	\$35,738	\$10,590	-74%

Source: City of Fernie Payroll Records

165. As shown in *Exhibit 11*, Fernie's workplace safety incidents decreased over the five year period covered by the audit. Incidents are discussed at occupational health and safety committee meetings and recorded on the City's DATS system along with corrective action and/or updated safety procedures.

Exhibit 11 – WORKPLACE INCIDENTS 2011–2015

	2011	2012	2013	2014	2015
Workplace incidents	11	8	1	5	5
Incidents with injury	7	4	7	6	3

Source: City of Fernie Monthly Workplace Safety Statistics

166. Through the BC Municipal Safety Association, the City can audit its occupational health and safety program and receive a certificate of recognition. This certificate may help reduce their WorkSafe BC premiums and potentially allow them to direct the savings to improving its occupational health and safety program.

ATTENDANCE MANAGEMENT

167. The City relies on its sick leave policy and collective agreements to manage employee sick leave. It provides monthly sick leave payout reports to each employee as well as a report on the status of their sick leave bank semi-annually. As shown in *Exhibit 12*, annual sick leave hours remained stable from 2011 to 2014 and then experienced a significant decrease in 2015. Short-term sick leave payout fluctuated during the period covered by the audit. While the City collects this data through payroll records, any trends or volatility are not regularly monitored and analyzed.

ETHICAL CONDUCT

168. The City has a code of conduct for recreational program staff, but lacks a general employee code of conduct or standards of ethical conduct and does not document any incidents. Overall, the City should increase the level of awareness among staff of ethical standards and conflict of interest procedures.

169. This could be accomplished by developing conflict of interest policies and procedures, including an annual review and acknowledgment by all staff. Ethical conduct requirements should be introduced to new employees as part of the orientation package. In addition, even though conflicts of interest are considered rare, the City should establish procedures to centrally record all incidents.

Recommendation 10

170. The City of Fernie should develop a set of ethical conduct standards and a conflict of interest policy and procedures for all employees, including procedures for the disclosure, reporting and documentation of conflict of interest incidents.

LABOUR RELATIONS

171. Fernie’s workplaces have two unions in place (CUPE and IAFF) and the City has two joint committees to deal with labour relations issues such as workplace conditions, staffing and job classification, as well as training needs and requirements.

172. Staff told us that IAFF-City relations are strong. The City’s Fire Chief meets with the CAO regularly to discuss operational issues and a joint committee is assembled as needed to address any union concerns.

173. The City’s joint committee with CUPE is set out in the CUPE collective agreement. While its roles and composition are outlined, meetings are scheduled on an ad hoc basis and minutes are not recorded. More structure and formalization should be applied to this committee to increase its effectiveness in addressing workplace issues and concerns of both management and labour.

GRIEVANCES

174. The CUPE collective agreement outlines procedures for grievances, including arbitration and the City maintains grievance records. We were advised that most grievances are not resolved until stage 3, when they are reviewed by Council. The number of grievances increased during the period covered by the audit, as shown in *Exhibit 13*. All grievance cases were with CUPE staff, none with IAFF staff.

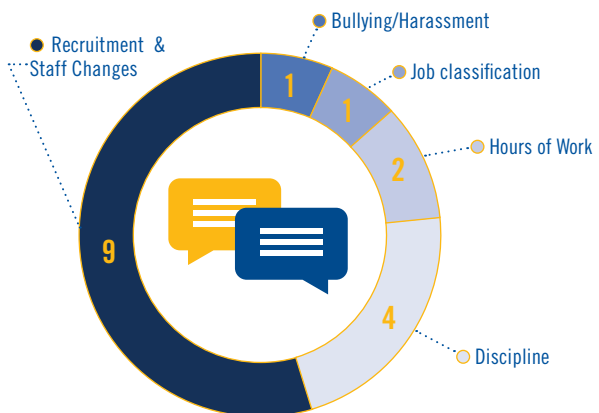
Exhibit 13 – GRIEVANCES BY YEAR

	2011	2012	2013	2014	2015
# of Grievances	0	1	6	3	7

Source: City of Fernie Grievance Log

175. As *Exhibit 14* shows, there were four grievance cases during the period covered by the audit that related to employee discipline and nine that related to hiring or staffing changes.

Exhibit 14 – GRIEVANCES BY CATEGORY



Source: City of Fernie Grievance Log

Our review indicated a need for greater cohesion within the corporate management team.

MANAGEMENT-STAFF COMMUNICATIONS

176. Fernie’s labour-management relations would benefit from strengthening and the organizational culture is in need of improvement. Staff told us that inadequate communication impeded labour relations and, in some cases, operational effectiveness. Our review indicated a need for greater cohesion within the corporate management team and stronger inter-departmental communication, which could be achieved through frequent and regular meetings, targeted agendas and records of decisions and actions taken.

177. Management-staff communication could be improved and the City should take steps to encourage all staff to work together more closely. The corporate management team could play a key role in addressing this communication gap through more timely and routine sharing of key decisions, organizational changes and updates that affect staff across the organization.

EMPLOYEE ENGAGEMENT

178. The City has longstanding organizational culture issues within its workforce that could be changed in a positive way over time through a more positive “tone at the top.” This could help increase accountability, boost morale, reduce staff turnover and strengthen operational effectiveness. The City should implement a number of overarching employee engagement practices that can assist in addressing culture issues including:

- ▶ Regular management-staff meetings
- ▶ Strengthened interdepartmental communication
- ▶ Active use of the City’s SharePoint System as a communication tool
- ▶ A corporate orientation program for new employees to set standards and expectations
- ▶ Stronger governance of the labour-management committee

- ▶ Collaborative labour-management efforts to update job descriptions and identify lead hands in order to enhance performance and promote accountability
- ▶ Organization-wide education aimed at promoting change management and fostering accountability and teamwork
- ▶ Conducting exit meetings with departing staff

179. The incoming HR specialist, working in collaboration with the Chief Administrative Officer and senior staff, should prioritize the improvement of organizational wellness and labour relations.

Recommendation 11

180. The City of Fernie should enhance staff communication by:

- ▶ Strengthening the governance of the CUPE Labour Management Committee
- ▶ Increasing communication and leadership within the corporate management team
- ▶ Implementing an employee engagement program

HUMAN RESOURCE ADMINISTRATION

181. Our audit objective involved an assessment of whether human resources planning and management activities are supported by sound human resources administration.

182. The audit criteria included key aspects of human resource administration such as employee policies and procedures that are comprehensive and that set forth organizational standards for all employees and a set of relevant HR data that is tracked and reported on, and that can be used to assess the performance of the organization’s HR practices, including the administration of employee salaries and benefits.

HUMAN RESOURCE POLICIES AND PROCEDURES

183. Human resource policies and procedures help to communicate both expectations and requirements for how things are done across the organization. They set a standard and help to ensure consistency in how employees are managed and treated. They also help to ensure compliance with health and safety legislation and regulations.

184. We expect to see effective HR policies and procedures in Fernie that foster a healthy, respectful workplace where staff is treated fairly and with transparency. Key policies and procedures include ethical standards and conflict of interest, confidentiality, health and safety, working conditions, attendance and leave management, staff compensation and overtime, reimbursement of fees and expenses, training and development, performance management, termination, discipline and dispute mechanisms and complaint resolution.

185. We also expect to see HR management policies as a set of formal, written documents that are easily accessible by management and employees. Local governments also have collective agreements that govern working relationships between management and union employees.

186. The City has a set of HR policies and procedures covering key HR topics such as hiring, training and development, attendance management, occupational health and safety, performance evaluation, compensation and workplace harassment. It lacks policies on conflict of interest, confidentiality requirements, whistle blower guidance or dispute resolution.

187. Many of Fernie's existing policies and procedures were approved in the 1990s and are in need of updating. The City told us that it recognizes this need, although it has not yet taken action due to capacity constraints. To assist, the City could consider the LGMA *Human Resources Toolkit*, which contains some 70 draft versions of

up-to-date policies. The City should also consider establishing an ongoing process for systematic and timely review of policies and procedures.

188. In addition, Fernie's policies are not easily accessible to staff, resulting in a low level of awareness and a low level of compliance, in particular with policies on hiring, training, performance appraisal and discipline.

189. Further, there is a misperception among Fernie's senior management that some employee policies, generally considered to be within management's discretion, are not easily implemented without union consent. This has contributed to a lack of action by the City to set standards and expectations across the organization and has contributed to low levels of accountability and low morale. Management staff should increase their understanding of their rights and the incoming HR specialist and CAO should examine past practice and specific issues in order to eliminate poor practices.

190. All City policies are currently subject to Council approval and are generally at a high level. The City should consider distinguishing corporate policies, which are subject to Council's approval, from administrative policies and procedures, which are most appropriately approved by the CAO. Administrative policy and procedures should be more detailed and/or department specific.

Recommendation 12

191. The City of Fernie should enhance its human resources-related policies and procedures by:

- Reviewing and updating its employee policies and procedures, address key gaps in HR policies and procedures and establish a process for the systematic and timely review of policies and procedures
- Establishing a process for management approval of administrative policies and procedures

HUMAN RESOURCES INFORMATION AND DATA

192. A human resources information system is an information system used to acquire, store, analyze and report HR information to user groups such as department heads across the organization. We expect to see an HR information system in Fernie that captures core HR data such as time and attendance, payroll, benefits administration, recruitment, training and HR management.

193. We further expect to see core HR information and results incorporated into City planning to assist with activities such as budgeting, forecasting, succession planning, training and development. HR information and results should be analyzed, prepared regularly and the results should be reported to senior management and elected officials on a regular basis.

194. Examples of both core and non-core human resources statistics that can be used to support human resources functions and that can inform human resources strategies and decision-making include:

- › Basic workforce demographics
- › Size of workforce and current trends
- › Workforce per capita ratios and trends
- › Management to staff ratios
- › Payroll, benefits and compensation data
- › Overtime utilization
- › Turnover rates and patterns
- › Frequency and reason for terminations
- › Time to hire
- › Time, leave and attendance
- › Training, learning and development
- › Performance appraisal
- › Injuries and WorkSafe BC records
- › Grievances

195. The City uses the VADIM human resources information system, which enables staff to generate information to assist in HR management, including employee personal information, remuneration, attendance records and overtime and employment status. This system has some limitations in its ability to generate queries and reports. Staff told us that it tracks employee turnover, but does not routinely monitor overtime and employee leave.

196. The City should track both overtime and leave in order to protect against any potential abuse of the system. Further, the City lacks any measures relevant to HR planning that are reviewed on a regular basis and can be used to inform human resource management and workforce planning.

197. Staff members are confident of the accuracy of payroll information using VADIM. Directors approve timesheets and staffing change notices are collected from departments manually. Before payroll release, staff reviews the reports, comparing current payroll with prior periods for each employee. Staff told us that there were no payroll complaints during the period covered by the audit and no errors were detected by the City's external auditors.

198. The City has not documented its payroll procedures, although staff told us that payroll staff are experienced and fully familiar with the process. Cross-training on payroll is a critical need and the City should develop a payroll procedures manual to assist with knowledge transfer and cross-training.

199. As *Exhibit 15* shows, the City's overtime expenditures have grown faster than its total expenditures. Administration and fire protection overtime costs increased the greatest, from 8 per cent in 2011 to 38 per cent in 2015.

Exhibit 15 - OVERTIME COSTS

	2011	2012	2013	2014	2015	% change
Overtime Expenses	\$63,327	\$77,383	\$77,200	\$99,907	\$99,969	58%
City Total Expenditure	\$11,240,517	\$11,072,974	\$11,746,183	\$12,064,193	\$11,855,811	5%
OT as % of Total Exp.	0.6%	0.7%	0.7%	0.8%	0.8%	50%

Source: *City of Fernie OT Detail Report by Department and Annual Reports*

200. Management report to Council on HR matters through the CAO. This reporting typically includes progress on collective bargaining, collective agreement changes and their implications, key recruitment and grievances.

201. The City should consider enhancing its HR reporting to Council. Metrics should be carefully selected so they do not consume more time preparing than they are worth. The City should regularly review the measures it reports on to eliminate any that prove not to be useful. In Fernie, HR reporting to Council could include the following measures:

- › Number of FTES
- › Overtime utilization
- › Sick leave usage
- › Injury time loss
- › Vacancies (by department, reasons for vacancies)
- › Pending employee retirements
- › Number of applicants in response to job postings
- › Time taken to hire
- › Outcomes of review of exempt staff compensation

- › Corporate training plan and any gaps in mandatory certification requirements
- › WorkSafe BC compliance reports
- › Number of grievances and topics as well as other labour relations issues such as the results of employee engagement surveys

202. The City may wish to collect some of this information by using a hiring checklist, as described in *Exhibit 16*. HR data gathered systematically in this way can help the City do more comprehensive HR planning.

Recommendation 13

202. The City of Fernie should enhance its tracking of key employee information and measurement of its human resources-related performance by:

- › Tracking employee overtime and leave
- › Developing a payroll procedural manual
- › Analyzing and considering HR indicators to assist in human resource planning and management
- › Reporting on key HR indicators to senior management and Council

Exhibit 16 – HIRING CHECKLIST - A GOOD HR PRACTICE

A hiring checklist allows a local government to systemize its process of hiring new employees. This can be particularly useful where employee recruitment and selection is a decentralized process.

A checklist covers the key steps from the initial needs identification, key qualifications and requirements of the position, salary range, selection method, letter of offer and onboarding including orientation.

A checklist adds consistency and value to the process and can help capture standard HR information. The HR department can centrally maintain the checklists and periodically review a sample of them as a quality control measure, providing feedback to hiring managers and others involved in the hiring process. In addition, checklists can be used at orientation and termination to gather useful HR information.



SUMMARY OF LOCAL GOVERNMENT COMMENTS



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December 28, 2016

Gordon Ruth, FCPA, FCGA
Auditor General for Local Government
201 – 10470 152nd Street
Surrey, BC V3R 0Y3

Dear Mr. Ruth;

On behalf of the City of Fernie Council and Staff we would like to thank you for the time and effort put into your audit and report “*Managing the Inherent Risks of Limited Human Resources within Small Local Governments*”. The report fairly represents the realities of the City of Fernie at the time that the audit was conducted. The thirteen recommendations provide a road map that we are confident our new CAO and his staff will use to improve Human Resource Management at the City.

I want to thank Mr. Lewis for personally presenting the finding to the All Staff meeting on December 9, 2016 and for the presentation to Council by Mr. Lewis and yourself that same day.

I am happy to enclose a copy of the completed HR Planning template with our intended actions for each of the recommendations and their sub-categories. As discussed at the December 9th presentation, we see the process of implementing the action plan as an organic process but ensure you that we are committed to ensuring the recommendations are implemented. One of the things that Council was concerned with was the cost of implementing the recommendations. As you know, the City had committed to increasing staffing levels prior to the audit taking place. The three positions cited in the audit report, HR Specialist, Communication Coordinator and Planner have been funded in our 2017 budget. The action plan will be implemented with little additional cost, instead looking at organizational efficiencies and cultural changes to improve our HR Management.

Subsequent to Mr. Lewis presenting to Staff on December 9th, our CAO led a facilitated session that afternoon with all staff with the goal of setting the foundation for preparing the Action Plan and implementation strategy. I am happy to include the report from that workshop as well for your information.


Respectfully,

Mayor Mary Giuliano
City of Fernie

CITY OF FERNIE ACTION PLAN

AGLG RECOMENDATIONS	STEPS TAKEN	RESOURCES NEEDED	RESPONSIBLE	TARGET DATE
HR PLANNING				
<p>1. The City of Fernie should develop a human resources work plan linked to its corporate objectives and focused on addressing key HR priorities, including:</p> <ul style="list-style-type: none"> • Fostering a strong organizational culture and a healthy workplace • Coordinating the delivery of core human resource services • Addressing gaps in human resources administration 	Create a Across Departmental Culture Committee.	Time allocation for Committee Members	CAO	February 17, 2017
	Partner with District of Sparwood / District of Elkford/ to Hire an HR specialist (40% City).	Resourced in 2017 – 2021 Financial Plan	CAO	January 15, 2017
	Develop HR Strategic Plan.	Time	HR specialist & Directors	January 01, 2018
<p>2. The City of Fernie should undertake key workforce planning initiatives, including:</p> <ul style="list-style-type: none"> • Continuing to identify service levels across the organization • Undertaking an organizational review that includes exploring opportunities for corporate restructuring • Conducting cost-benefit analyses on the use of contracted service delivery • Developing a long-range workforce plan that considers pending retirements, succession planning and cross-training 	Annual Service level review as part of Planning & Budget Process.		Director of Finance	May 01, 2017
	Brainstorm at all staff meetings.	Project funds for review	Leadership Team	September 2017
	Hire a consultant to perform analysis.	Project funding	Director of Finance	2018 Budget
	Institute Personal Learning & Development Plans as part of annual performance evaluations.	Forms & Process for PLDP's & Annual Evaluations	Directors HR specialist	June 2017 April 2017
	Identify retirement dates. Identify Succession candidates.			
<p>3. The City of Fernie should address staff recruitment and retention issues by:</p> <ul style="list-style-type: none"> • Developing a comprehensive recruitment policy that addresses gaps in procedures and documentation practices • Developing a recruitment and retention strategy that addresses immediate recruitment needs and considers potential compensation issues 	Identify best practises for recruitment, onboarding & retention & implement New practises.	HR specialist	HR specialist	July 2017
	Along with strategy above undertake a compensation review, possibly update the Town of Gibson 2016 review which Fernie participated.	Consultant Fees	HR specialist	April 2017

AGLG RECOMENDATIONS	STEPS TAKEN	RESOURCES NEEDED	RESPONSIBLE	TARGET DATE
HR PLANNING				
<p>4. The City of Fernie should ensure that all staff positions have job descriptions that are current, relevant and accurately reflect the primary responsibilities of the position.</p>	Have each employee review current Job Description for accuracy & updating. Job Description need to balance organizational needs & personal experience.		All Staff • Supervisors • Leadership Team	February 2017
<p>5. The City of Fernie should enhance its succession planning and information transfer from departing employees by:</p> <ul style="list-style-type: none"> • Formalizing its succession planning with an emphasis on mission-critical skills • Conducting exit interviews with all departing employees 	Succession Plan	LGMA Toolkit	Leadership Team	April 2017
	Implement	Process	HR specialist	Immediately
<p>6. The City of Fernie should enhance its employment agreements with excluded staff by:</p> <ul style="list-style-type: none"> • Adding an education/training clause to its employment agreement template • Ensuring its exempt staff employment agreements are reviewed by legal counsel 	Review & update agreements.	Legal review	CAO	July 2017
	Review & update agreements.	Legal review	CAO	July 2017
<p>7. The City of Fernie should conduct an independent compensation review.</p>	Update the Town of Gibson 2016 review which Fernie participated.	Consultant Fees	HR specialist	September 2017

AGLG RECOMENDATIONS	STEPS TAKEN	RESOURCES NEEDED	RESPONSIBLE	TARGET DATE
 HR MANAGEMENT				
<p>8. The City of Fernie should enhance employee training and development by:</p> <ul style="list-style-type: none"> • Developing and implementing an employee orientation program • Considering the formation of a mid-management team to identify opportunities for skills upgrading and cross-training of staff • Considering the implementation of a leadership program • Centralizing training records using the DATS system as a standard across the City • Formulating a corporate training plan • Monitoring training expenditures and tracking the results of training activities 	<p>Delegate to Culture Committee to research best practices and recommend program content.</p> <p>Create Coordination Team.</p> <p>Create Leadership Team.</p> <p>Implement Personal Learning Plans & Establish process for Training Requests.</p> <p>Incorporate into Personal Learning & Development Plans & Annual Performance Review.</p>	<p>Work – out time</p> <p>Team: Premita, Dustin, Sheryl, Suzanne <i>Planning Manager</i>, Shaun, Kathleen</p> <p>Terms of Reference Terms of Reference</p> <p>Employees to gather records</p> <p>Budget</p> <p>Vadim Reporting</p>	<p>Culture Committee HR specialist</p> <p>Directors</p> <p>CAO</p> <p>HR specialist Health and Safety Committee</p> <p>Leadership Team</p> <p>Directors, Supervisors and HR specialist</p>	<p>March 2017</p> <p>February 20, 2017</p> <p>By year end 2017</p> <p>Manage 2017 training budget and make necessary changes for 2018</p> <p>Include in 2017 year end report</p>
<p>9. The City of Fernie should enhance its staff performance monitoring and evaluation practices by:</p> <ul style="list-style-type: none"> • Reviewing its management appraisal process and, if appropriate, updating the policy and procedures, formally implementing any changes, and developing a strategy to roll out the changes 	<p>Review forms introduced earlier in 2016 & refine the process.</p> <p>Cross reference with the LGMA Toolkit.</p>	<p>Resources & Best Practises</p>	<p>Leadership Team</p>	<p>February 2017</p>

AGLG RECOMENDATIONS	STEPS TAKEN	RESOURCES NEEDED	RESPONSIBLE	TARGET DATE
HR MANAGEMENT				
<ul style="list-style-type: none"> Developing and implementing a performance appraisal process for unionized employees Considering a holistic performance evaluation process such as a 360-degree appraisal for the chief administrative officer Documenting formal disciplinary records and ensuring they are signed by the supervisor 	Develop forms & process for approval.	Forms & approval from City & CUPE	CA Management Committee	
	Introduce CAMA / FCM Evaluation Process.	Work with CAO recruitment consultant (Budget)	Council	May 2017
	Follow Collective Agreements and Introduce Personnel Policy for Exempt Employees.	Time	Leadership Team	November 2017
<p>10. The City of Fernie should develop a set of ethical conduct standards and a conflict of interest policy and procedures for all employees, including procedures for the disclosure, reporting and documentation of conflict of interest incidents.</p>	Develop Code of Conduct.	Examples from other communities & relevant legislation	Cultural Committee	April 2017
<p>11. The City of Fernie should enhance staff communication by:</p> <ul style="list-style-type: none"> Strengthening the governance of the CUPE Labour Management Committee 	Commit to better governance & practises.	Time	CAO	January 2017
<ul style="list-style-type: none"> Increasing communication and leadership within the corporate management team 	Terms of Reference & Charter for Leadership Team and Coordinating Team. Use Engagement & Communication Tools.	Time & Process for information sharing	Leadership Team Communications Coordinator	September 2017
<ul style="list-style-type: none"> Implementing an employee engagement program 	Delegate to Culture Committee.	Time	Culture Committee/ Communication Coordinator	June 2017

AGLG RECOMENDATIONS	STEPS TAKEN	RESOURCES NEEDED	RESPONSIBLE	TARGET DATE
HR ADMINISTRATION				
<p>12. The City of Fernie should enhance its human resources-related policies and procedures by:</p> <ul style="list-style-type: none"> • Reviewing and updating its employee policies and procedures, address key gaps in HR policies and procedures and establish a process for the systematic and timely review of policies and procedures • Establishing a process for management approval of administrative policies and procedures 	<p>Create a process map as part of HR Strategic Plan.</p> <p>Differentiate Council and Administration Policies – Develop procedures to support policies – this could include vetting draft policies and procedures with Coordinating & Leadership Teams before CAO approval.</p>	<p>Time</p>	<p>HR specialist</p> <p>HR specialist & Leadership Team Coordinating Team Deputy Clerks</p>	<p>January 2018</p>
<p>13. The City of Fernie should enhance its tracking of key employee information and measurement of its human resources-related performance by:</p> <ul style="list-style-type: none"> • Tracking employee overtime and leave • Developing a payroll procedural manual • Analyzing and considering HR indicators to assist in human resource planning and management • Reporting on key HR indicators to senior management and Council 	<p>Create caps for Overtime & Leave and streamline approval and report process.</p> <p>Develop Manual.</p> <p>Measure Overtime & Leave spending as compared to increasing full time employee.</p> <p>Set indicators to be reported.</p>	<p>Coordinate with implementation of Vadim Employee Self-Serve module</p>	<p>Leadership Team</p> <p>Director of Finance</p> <p>Director of Finance & HR specialist</p> <p>Director of Finance & HR specialist</p>	<p>March 2017</p> <p>August 2017</p> <p>May 2017</p> <p>December 2017</p>

AGLG CONTACT INFORMATION



The AGLG welcomes your feedback and comments. Contact us electronically using our website at www.aglg.ca or email info@aglg.ca to share your questions or comments.

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