Presentation to TTC Board of Directors

Key Aspects of BOARD GOVERNANCE An Auditor General's perspective

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Governance roles

Hire CEO 1. Foresight 2. Oversight 3. Insight

Board of Directors TTC

City Council

Select CEO Confirm Strategy (foresight) Oversee risk, finances and performance

CEO

Implement Strategy Measure performance Identify and manage risks and implement controls



Foresight: Setting up for success

Questions the Board should ask

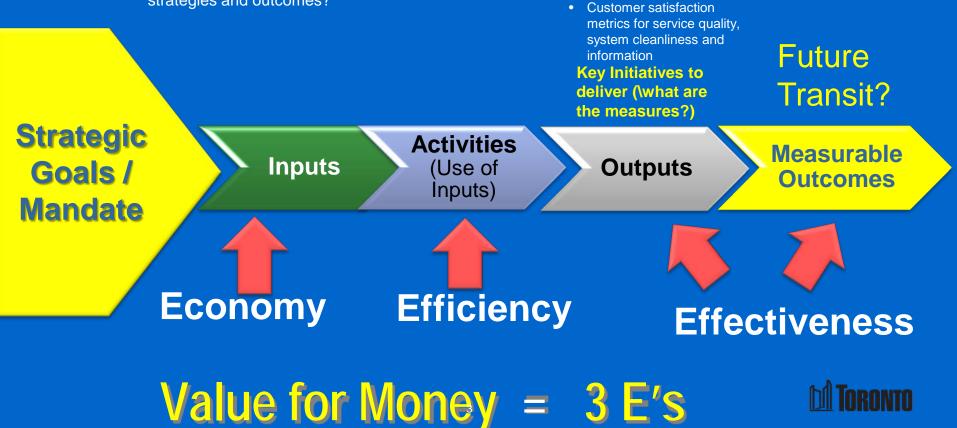
- 1. Will achieving the core strategies deliver the outcome? Are these the right measures?
- 2. Are the outputs measurable? What are the targets? How often do you receive performance information?
- 3. Dashboards -- Are you receiving reports on the risks that would prevent the TTC from achieving the strategies and outcomes?

Measuring Outputs

Core Strategy 4 "Excel at asset management and operational performance"

How we will measure success:

- Service punctuality
- Service reliability
- Asset availability metrics
- Project delivery vs. plan







Common Audit Findings Corporations & Agencies

General Finding	TCHC	SONY Centre	Invest Toronto	Toronto Zoo	Build Toronto
Clarity in Strategic Goals	Not part of the audit	X	X	Not part of theaudit	X
Procurement Controls	X	X		X	X
Management of Capital Projects	Not part of the audit	X	N/A	X	X
Board Approval of Spending Limits Exceeded	Not part of the audit	X		Not part of the audit	X



Management of Risks

Risk : The likelihood of <u>not attaining strategic</u> <u>goals</u> and the related impact

- Boards should receive detail regarding the risks facing the whole organization
- Ask probing questions about risks to ensure they are complete and the information is reliable
- Best practice for the 'Risk Officer' to report directly to the Board or Audit Committee





Overseeing risk.....continued

- Do you receive a risk register outlining the risks of not achieving strategic goals?
- Is there a risk management process is in place over each strategic goal?
 - Risks should be linked to strategic goals & key initiatives
 - Are risks actively monitored?
- If a risk arises, why the risk was not on the risk register? [Test the reliability of the register]
- Is the risk management process dynamic?





Important factors to ensure success...

Expertise - subject matter, financial, risk, legal
If you don't have itobtain it

- Continuity
 - Attending meetings, Succession planning
- Board Information: Drive it...

What do you need to ensure success of TTC?

- Relevant
 - Risks, finance, performance, project management, strategic issues
- Right level clear, memorable compelling What information do you need to fulfill duties?
- Where are we? Where do we need to be?



Recap.... Key Role of Directors

1. Foresight - Leverage your expertise. Ask probing questions about the strategy....

- What is the transit of the future?
- What is City Council's expectation of TTC?
- Strategic goals Are they aligned to outcomes? Are outcomes and outputs the measurable?

2. Oversight

- Monitor risk, finance and performance and project management
- Insight –probe issues support management Toronto