



	REPORT No.: 2022-04
MEETING DATE: JANUARY 13, 2022	DATE PREPARED: DECEMBER 15, 2021
SUBJECT: REVISED APPROVAL AND SIGNING AUTHORIZATION POLICY	

RECOMMENDATION

THAT with respect to Report No. 2022-04 (Corporate Services Division), we, The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) approve the updated Approval and Signing Authorization Policy, dated January 13, 2022, as presented;

AND THAT the Chief Administrative Officer be authorized to amend this Policy with respect to Housekeeping items, as may be required from time to time.

REPORT SUMMARY

To provide the updated Approval and Signing Authorization Policy, which governs the administration of The District of Thunder Bay Social Services Administration Board (TBDSSAB) approval process and authorization levels for certain activities and documents requiring authorizations within the organization.

BACKGROUND

TBDSSAB currently has Board approved policies relative to approval authority levels and signing authority, which have been amended from time to time. A regular review of existing policies is a normal practice of the organization. Administration has continued to review its current policies and procedures to maximize the opportunity to incorporate updated and/or best practices into its policies.

At the July 2015 meeting, the Board approved the Approval and Signing Authorization Policy No. CS-01:79. The revised policy attached is the first review and presentation of proposed amendments.

COMMENTS

Effective System of Internal Control

One of the elements of an effective system of internal control is appropriate authorizations; that all transactions and activities should be carried out and approved by employees acting within their range of knowledge and proper span of control.

Documents that bind the organization to real and potential liabilities should be identified within the internal control system, and the related approval and signing authorization processes.

The following key concepts and best practices apply to maximizing the effectiveness of the appropriate authorization internal control element:

Concept	Best Practice
Approvals and authorizations should be documented	Policies, procedures, and processes within an organization should clearly identify which positions have authority to view or approve.
Due diligence. Individuals should have first-hand knowledge of the transactions being approved, or complete an appropriate review of supporting documentation to confirm the validity and appropriateness of the transactions	All positions should be properly trained and/or informed of organizational procedures relative to internal controls, including appropriate authorizations, to confirm which positions have authority for the transactions within an organization.
Operational Efficiency	Processes should provide for timely authorizations, as well as timely processing of transactions following approvals; Operational authorization should be differentiated from Governance authorization.

Policy Amendment Process

The following process was followed in the development of the attached updated Approval and Signing Authorization Policy recommendation:

1. Documentation of related policies, procedures; and
2. Research into current operational best practices.

Administration convened a group of decision makers in Fall 2021 for facilitated internal discussions.

Sample policies and procedures were gathered from other DSSABs, single-tier municipalities, colleges/universities, and school boards.

The following is a summary of proposed material (non-housekeeping) amendments to the various sections within the Policy:

Policy Section	Updates
Intent of the Policy	<ul style="list-style-type: none"> • Add language to clarify responsibility. • Remove language to narrow focus to acting on behalf of TBDSSAB; former language included specific activities outlined in authority schedules.
Definitions	<ul style="list-style-type: none"> • Remove Chief Financial Officer definition as that language is not used within TBDSSAB. • Add definitions of Economy, Efficient, Effective, and Materiality in context of this Policy.
Policy - Item 3:	<ul style="list-style-type: none"> • Add 'procedures' to the list of documents for assessment for review by those positions with delegated authority. • Modify 'approvals' to 'appropriate approvals' required by policy or procedure. • Add reference to liabilities 'contained in relevant contract(s) and supporting document(s)' to clarify need for and location of this documentation.
Policy - Item 4	<ul style="list-style-type: none"> • Clarify path to communicate unusually high risk (immediate supervisor and/or like position as primary contact). • Reference Enterprise Risk Management Policy and Procurement of Goods and Services and Construction Policy in-text. • Remove reference to 'negative effect on the reputation of the organization'. The Enterprise Risk Management Policy and Advocacy Policy will be cited as related policies and procedures at the end of this document as reference to more complete information sources.
Policy – Items 1, 2, 5, 6	<ul style="list-style-type: none"> • Housekeeping updates only.

<p>Standards of Application Roles and Responsibilities</p>	<ul style="list-style-type: none"> • Clarify responsibility of Director, Corporate Services to establish routing for approval documentation. • Include 'related procedures' in monitoring scope. • Clarify Signing Officer responsibility to obtain review by Director, Corporate Services if 'unplanned' financial ramifications exist. • Revise list of documents for Signing Officer review to 'internally available guiding documents, including but not limited to TBDSSAB Strategic Plan, budget, collective agreement and mandated outcomes.' Remove business plan and employment contracts from list of documents for consult.
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The following are the updates within the respective Authority Schedules within the Policy:

<p>Authority Schedule Section</p>	<p>Updates:</p>
<p>1. Provincial and Other Funding Agreements</p>	<ul style="list-style-type: none"> • Update program requirements and outcomes 'inherent therein' to 'contained therein'. The intent is to focus on satisfying explicit requirements.
<p>2. Banking and Investments</p>	<ul style="list-style-type: none"> • No proposed changes.
<p>3. Procurement of Goods, Services Construction Contracts, Consulting</p>	<ul style="list-style-type: none"> • Update the Authorization Levels • Combine to a single 'Director' role • Remove 'Program Lead' <p>The review team did extensive review of other public sector organizations specific to purchasing levels of non-allocated funds. Specifically, they reviewed total revenue less the sum of salaries & benefits and amortized capital assets (where available). The most senior administrative officer's single transaction authority was generally 2 - 5% of the total of the remaining amount.</p> <p>These proposed authorization amounts are subject to related policy and procedure, including the Procurement of Goods, Services and Construction Policy and the Budget Policy, the latter requiring the review and approval of the Board of Directors. The procedures and processes contained in these provide the internal</p>

	controls, monitoring, and documentation for purchase activity.
4. Employment	<ul style="list-style-type: none"> Housekeeping changes only.
5. Initiated Funding Agreements with Service Providers	<ul style="list-style-type: none"> Housekeeping updates to programs (add EarlyON & Home for Good, remove Community Social Reinvestment Program). Create a category for delegation of authority for one-time funding where there is delegated authority (the left-most column in the table) from the Board to the CAO to sign these agreements. Ongoing agreements still require signature from the Board Chair and CAO. This resulted from discussion of flexibility to administer these funds in the most efficient manner.
6. Client Benefits and Entitlements	<ul style="list-style-type: none"> Amend to extend authority to other staff (beyond Caseworker and Team Clerk) to issue financial assistance in compliance with legislated rates and locally established procedures.
7. Housing Program Operating Agreements	<ul style="list-style-type: none"> Update title to 'Program Agreements' which reflects the integration of Housing into the Integrated Social Services Division due to the 2020 organizational realignment. Add 'Child Care Maintenance and Repairs' to the list of programs.
8. Settlement Agreements	<ul style="list-style-type: none"> Update title to 'Legal Settlement Agreements'. Redefine as 'precedent-setting or financially material' legal claims and/or complaint against the organization. Add a statement regarding operational tasks where staff represent TBDSSAB at various tribunals, including the Landlord Tenant Board and Social Benefits Tribunal. Preparation for and attendance at on behalf of TBDSSAB are operational staff responsibilities.
9. Situations not Covered	Housekeeping changes only.
10. Records Management	Housekeeping changes only.

11. Related Policies, Procedures and Forms	This section has many additions. This assists the reader in finding the appropriate guiding documents for review.
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The red-line revisions are provided in Attachment #1.

FINANCIAL IMPLICATIONS

There are no direct financial implications associated with the adoption of the revised Approval and Signing Authorization Policy.

CONCLUSION

It is concluded that the Approval and Signing Authorization Policy updates enhance the existing direction for the approval and signing of certain documents, clarifies the organization-wide framework for the review and processing of authorizations, and provides for risk mitigation relative to binding the organization to liabilities, and should be approved.

REFERENCE MATERIALS ATTACHED

Attachment #1 [Red-line version of Approval and Signing Authorization Policy No. CS-01:79](#)

PREPARED BY:	Georgina Daniels, FCPA, FCA, Director, Corporate Services Division The District of Thunder Bay Social Services Administration Board
APPROVED / SIGNATURE:	
	Georgina Daniels, FCPA, FCA, Director, Corporate Services Division The District of Thunder Bay Social Services Administration Board
SUBMITTED / SIGNATURE:	
	William (Bill) Bradica, Chief Administrative Officer The District of Thunder Bay Social Services Administration Board

POLICY	CATEGORY/SECTION CORPORATE SERVICES - <u>GENERAL</u>
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AUTHORITY

~~TBDHC By-Law Number 1-2014~~

TBDSSAB Governance & Procedural By-Law Number 04-202117, and as amended 7-2013

TBDSSAB Borrowing By-Law Number 7-2011, and as amended

~~TBDSSAB Resolution No. 12/88~~

TBDSSAB Resolution No. 15/89, Approval and Signing Authorization Policy

TBDHC By-Law Number 1-2014

INTENT OF POLICY

1. To provide a consistent organization-wide framework where positions with relevant responsibility review and sign documents and approve transactions within their areas of responsibility in an effective, efficient, and diligent manner in carrying out their fiduciary responsibilities to The District of Thunder Bay Social Services Administration Board (TBDSSAB).
2. To designate clearly which positions are authorized to sign contracts, obligations, agreements or documents act on behalf of the TBDSSAB when such documents have been approved through the appropriate process.
3. This policy applies to all contractual agreements to which the TBDSSAB is a party.
4. Only those positions authorized by this Policy may act enter into contracts /obligations on behalf of the TBDSSAB.

DEFINITIONS

“Approval” is the implementation of general authorization decisions.

“Approval / Delegation from” is the group or position who has ultimate authority over and must approve the document being authorized, and is able to delegate the signing authority.

“Authorization” is a policy decision relative to the completion of transactions.

“Board” means the Board of Directors of The District of Thunder Bay Social Services Administration Board.

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“Chief Administrative Officer” or “CAO” means the head of operations at ~~the~~ TBDSSAB, his or her designate or any successor position thereto.

~~“Chief Financial Officer” or “CFO” refers to those duties within the Director, Corporate Services role.~~

“Contract” means a binding agreement between two or more parties that creates an obligation.

“Division Responsible” is the division responsible for carrying out and/or overseeing the actions associated with the authorization process.

“Economy” is getting the right inputs at the lowest cost.

“Efficient” is getting the most from the inputs.

“Effective” is getting the expected results from the outputs.

“Materiality” is information or items that if misstated, omitted and/or obscured could influence the judgement of a reasonable person relying upon the information. This may include but is not limited to decision making, general oversight and monitoring.

“Signing Officer” is a position to whom authority to sign a document on behalf of ~~the~~ TBDSSAB has been delegated. -The signature creates a binding liability and/or responsibility on behalf of the organization.

POLICY

1. It is the policy of ~~the~~ TBDSSAB to have a system for effective authorizations, guided by the following principles:
 - a. Value for money: A value for money approach aims to deliver the services where assets are safeguarded, and resources are used effectively, efficiently and economically to achieve TBDSSAB objectives.
 - b. Accountability: Obligations to answer for contract results, and for the manner in which signing authorities are delegated, which provide

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assurance to ~~the~~ TBDSSAB regarding the effective use of public resources.

- c. Transparency: Activities and transactions are open to examination by all stakeholders and the public, while respecting confidentiality and the protection of privacy.
 - d. Risk Management: Effective and efficient systems of internal control are in place, and controls are appropriate to the risks they aim to mitigate.
2. No individual may sign any document that creates an obligation or undertaking on behalf of ~~the~~ TBDSSAB unless that individual has signing authority in accordance and compliance with this Policy.
 3. Positions with delegated authority have the responsibility to exercise their authority in the manner of a prudent administrator. Depending on the nature of the agreement to be signed, this responsibility shall include an assessment of some or all of the following:
 - a. The ability of ~~the~~ TBDSSAB to meet any financial obligations resulting from the agreement;
 - b. The ability of the other party(ies) to meet its(their) obligations;
 - c. Compliance with labour legislation, tax legislation, other legislative and regulatory requirements and applicable TBDSSAB policies and procedures;
 - d. Whether all appropriate approvals required by any applicable policy or practice have been obtained for the contract;
 - e. The provisions regarding intellectual property requirements, physical bodily injury and personal injury indemnities, and environmental liabilities are contained in relevant contract and supporting documents; and
 - f. Whether legal advice is needed, consult with the Chief Administrative Officer (CAO).
 4. Notwithstanding the delegation of authority to various positions to approve documents in accordance with this and/or related policies or procedures, the delegated position shall bring to the attention of the ir immediate supervisor and/or like position ~~appropriate senior administrator~~ any document, prior to approval and execution, that involves an unusually high level of risk as outlined in the Enterprise Risk Management Policy CS-01 120 and the Procurement of

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Goods, Services and Construction Policy CS-03 01 to the TBDSSAB, or that might have a negative effect on the reputation of the organization.

5. Appropriate Routing of the documents must be completed to ensure impacted areas have completed their respective review of the documents.
6. Persons within positions designated under this Policy shall not exercise their signing authority in circumstances where conflicts of interest exist or are seen to exist. Conflicts of Interest are to be identified in accordance with the Conflict of Interest Policy HR-01:22.

STANDARDS OF APPLICATION

Roles and Responsibilities

The TBDSSAB Board is responsible for approving governance policies related to delegated authority, from time to time, to ensure the efficient operation of the organization.

The Director, Corporate Services is responsible for:

1. Establishing and maintaining an effective system of internal controls to safeguard the assets of the organization, and minimizeing the risk associated with contracts and agreements by establishing recommendations for appropriate routing for approval, including signing authorizations.
2. Monitoring compliance with this Policy, and recommending that corrective action be taken when the requirements of this Policy or its related procedures have not been met.
3. Reviewing the effectiveness of this pPolicy every five years, or more frequently as required.

Signing Officers are responsible for determining prior to signing:

1. That the document is within the responsibility of the signing officer through the authority of the TBDSSAB's approved budget, policies or procedures, with respect to the subject matter of the document, or unless there has been a written delegation of the responsibility by the CAO;
2. That the requirements identified within this Policy have been met;
3. That the document is routed appropriately for review;
4. That if there are unplanned financial ramifications, the Director, Corporate Services has reviewed the document;
5. That the document is consistent with the current internally available guiding documents, including but not limited to TBDSSAB strategic plan, business plan, budget, collective agreement, employment contracts, and mandated outcomes.

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Authority Schedules

1. Provincial and Other Funding Agreements

Ministry and/or other funding agreements that provide revenue for funding for mandated or one-time programming are approved by the Board through a Board Report and Resolution.

Approval/Delegation from	Division Responsible	Signing Authority
Board	Corporate Services	Board Chair, <u>or</u> Vice Chair and Chief Administrative Officer

The Board Chair, Vice Chair and Chief Administrative Officer only are authorized to bind the organization to these funding agreements, including the program requirements and outcomes contained~~inherent~~ therein.

2. Banking and Investments

Document	Approval/ Delegation from	Signing Authority
Cheque Signing Authorities	Board	Per Board Resolution
Investment Transactions	Board	Director, Corporate Services
Reserve Fund Transfers	Board	Director, Corporate Services
Banking Contracts	Director, Corporate Services	Manager, Finance

3. Procurement of Goods, Services, Construction Contracts, Consulting

The procurement of goods, services and construction is to be made in accordance with the Board approved Procurement of Goods, Services and Construction Policy CS-03:01, except where Board resolution otherwise determines. All contracts (including Purchase Orders) are issued by Purchasing under the direction of the Director, Corporate Services based on approval as follows:

Authorization Level	Approval / Delegation from
Greater than <u>\$450350,000</u>	Board
Up to <u>\$450350,000</u>	Chief Administrative Officer
<u>Up to \$250,000</u>	<u>Director, Corporate Services (CFO)</u>

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Up to \$350 60,000	Division Program Director
Up to \$25,000	Manager / Program Lead
Up to \$5,000	Supervisor

4. Employment

The Human Resources Department is responsible for the administration of all Employment related contracts and processes.

Document	Approval/ Delegation from	Signing Authority
Chief Administrative Officer Employment Agreement	Board	Board Chair
Appointment and termination letters/agreements for Directors	CAO	Director, <u>Manager,</u> Human Resources
Appointment and termination letters/agreements for Managers	Directors	Director <u>Manager,</u> Human Resources
Appointment and termination letters/agreements for Supervisors and front <u>front-line</u> staff, including students	Managers	Director, <u>Manager,</u> Human Resources
Collective Agreements	Board	Chief Administrative Officer Director <u>Manager,</u> Human Resources

5. Initiated Funding Agreements with Service Providers

Initiated Funding Agreements generally provide on-going and one-time funding to service providers with specific programming outcomes, and are an integral component of the organizations Accountable Advances processes (procedure CS-01-79-03). Current programs include Child Care, EarlyON, Community Homelessness Prevention Initiative, -Home for Good, Community Social Reinvestment Program, and Non-Performing Loan Agreements. Other programs may arise as designated by the appropriate Ministry or the Board.

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Where there is an ongoing agreement – the following schedule applies:

Approval/Delegation from	Division Responsible	Signing Authority
Board	Corporate Services with the <u>applicable Integrated Social Services Program</u> Division	Board Chair and Chief Administrative Officer

Where there is a one-time agreement, the following schedule applies:

<u>Approval/Delegation from</u>	<u>Division Responsible</u>	<u>Signing Authority</u>
<u>Board</u>	<u>Corporate Services with the Integrated Social Services Division</u>	<u>Chief Administrative Officer</u>

6. Client Benefits and Entitlements

Client Benefits are generally provided in accordance within guidelines prescribed by the province. The Integrated Social Client Services Division is responsible for ensuring all processes and procedures meet mandated and prescribed provincial and Board requirements.

Total Benefit Amount	Signing Authority
Greater than \$15,000	Chief Administrative Officer
Up to \$15,000	Director
Up to \$10,000	Manager / <u>Program Lead</u>
Up to \$5,000	Supervisor

Caseworkers, and Team Clerks and other staff may issue financial assistance in accordance with Provincially legislated rates and locally established procedures.

7. Housing Program Operating Agreements

Operational Agreements are established between ~~the~~ TBDSSAB and its various service providers and clients/tenants, subsequent to Board approval of the program. These documents currently include Ontario Renovates, Rent Supplement Agreements, and Housing Allowance Agreements and Child Care Maintenance and Repairs. The authority for the administration of these programs is provided via Board Resolutions, and is administered in accordance with provincial program requirements.

Approval/Delegation from	Division Responsible	Signing Authority
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Board	<u>Integrated Social Housing</u> Services	Director, <u>Integrated Social Housing</u> Services
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8. Legal Settlement Agreements

Legal Settlement Agreements refer to any precedent-setting or financially material legal claims and/or complaint document that settles a legal claim, or complaint against the organization. or Agreements as requested by the CAO or Board of Directors. These expressly exclude authority delegated for operational representation including but not limited to the Landlord Tenant Board and Social Benefits Tribunal. These could include a civil action, complaint before a judicial authority or tribunal, or any other action that potentially engages the liability of the TBDSSAB.

Approval/Delegation from	Division Responsible	Signing Authority
Board	<u>Applicable Director, Integrated Social Services Program Division</u> Director (lead) with Director, Corporate Services	Chief Administrative Officer

9. Situations not Covered

- a) Financial/Legal: Should a situation arise which is not specifically covered by this document, a review of the situation must be undertaken by the respective Division Director in consultation with the Director, Corporate Services; and will generally require the signature of the Chief Administrative Officer and the Director, Corporate Services.
- b) Human Resources: Should a situation arise which is not specifically covered by this document, a review of the situation must be undertaken by the respective Division Director in consultation with the ManagerDirector, Human Resources; and will generally require the signature of the Chief Administrative Officer and the ManagerDirector, Human Resources.

Records Management

Executed copies of documents are to be retained in accordance with the-TBDSSAB Records Management Policy, and within the appropriate Division/Department as follows:

Executed Documents	Maintained by
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Provincial and Other Funding Agreements	CAO's Office
Banking and Investments	Corporate Services (Finance)
Procurement of Goods, Services and Construction Contracts	Corporate Services (Purchasing)
Employment	Human Resources Department
Initiated Funding Agreements with Service Providers	Corporate Services
Client Benefits and Entitlements	<u>Integrated Social Client Services</u>
Program Operating Agreements	<u>Integrated Social Housing Services</u>
<u>Legal Settlement Agreements</u>	CAO's Office
Situations not Covered	CAO's Office, Human Resources, or Corporate Services

Review

The Policy will be reviewed every five years, or sooner as required.

RELATED POLICIES

CS-03:01 – Procurement of Goods, Services and Construction

CS-02:83 – Budget

AD02.002 – Corporate Procurement Card

CS-04:66 – Records Management

CS-01:120 – Enterprise Risk Management

CS-02:70 – Investment Policy

CS-02:19 - Reserve and Reserve Fund Policy

CS-03:87 - Land and/ or Building Disposition

HO-03:18 – Eviction Prevention

BRD-01:144 - Advocacy Policy

RELATED PROCEDURES

CS-01:79-1 – Signing Authorization

CS-01:79-2 – Provincial and Other Government Funding Agreements

CS-01:79-3 - TBDSSAB-Initiated Agreements and Addendums (Funding Agreements)

CS-01:79-4 - Administrative Review of Contracts, Agreements and Other

FORMS

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Appendix A to Procedure CS-01:79-02 – Flowchart

Appendix B to Procedure CS-01:79-02 – Checklist

Appendix C to Procedure CS-01:79-02 - Routing Contract Review Form

Appendix D to Procedure CS-01:79-03 (CCEY)

Appendix D to Procedure CS-01:79-03 (CHPI)

N1 FRM

N4 FRM

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