



FINAL INSPECTION REPORT
FOR THE
ENTERPRISE SETTLEMENT CORPORATION
FOR THE PERIOD ENDING MARCH 6, 1998
CONDUCTED DURING THE WEEK OF
MARCH 2 - 6, 1998

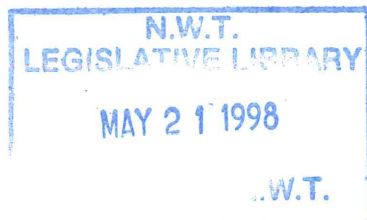
Prepared by the

Department of
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INTRODUCTION

PURPOSE OF THE REPORT

This Inspection Report was done in accordance with section 69 of the Settlements Act. The main purpose is to prepare a report for the Minister that describes the state of the financial, legislative, administrative, and management affairs of the Settlement Corporation. The report may also include recommendations to address any deficiencies found by the Inspectors.

METHODOLOGY USED TO PREPARE THE REPORT

The Settlements Act stipulates that inspections be conducted by Inspectors appointed by the Minister of Municipal and Community Affairs. Section 68 of the Settlements Act, also states that municipal inspectors are to be appointed under the Cities, Towns and Villages Act are Municipal Inspectors for the purposes of the Settlements Act. This report was prepared by Bill Buckle, Manager of Operations, South Slave, and Don MacDonald, Senior Advisor Monitoring and Evaluation, Yellowknife, who have been duly appointed under section 188 of the Cities, Towns and Villages Act. Section 69 of the the Settlements Act also requires the Settlement Corporation's relevant records and documents to be examined, and council members, and staff members to be interviewed.

The recommendations in this inspection report result from observations determined through the use of organizational audit techniques. The observations focus on a Settlement Corporation's legislative, administrative, management and financial operating procedures. The Inspectors used evaluation techniques to measure procedures and results against appropriate requirements such as relevant legislation and generally accepted accounting, administrative and management principles and concepts.

GENERAL LEGISLATIVE

COUNCIL

Council members are to be elected in accordance with the Local Authorities Elections Act and the Enterprise Settlement Corporation Continuation Order. The Enterprise Settlement Corporation Continuation Order outlines the terms of office for Council Members.

The Settlement Corporation Council is composed of six members as per section 3(1) of the Enterprise Settlement Corporation Continuation Order. Quorum is four Council members as per section 20 of the Settlements Act.

Over the years, the number of resignations and appointments has made it difficult to track whether or not the correct terms of office were allocated.

| NAME | | TERM | ELECTED/APPOINTED |
|-------------------|---------------------|---------|-----------------------|
| Chairperson: | Genevieve Clarke | 3 years | December 8, 1997 (E) |
| Vice Chairperson: | Winnifred Cadieux | 3 years | December 8, 1997 (E) |
| Councillors: | Anne Leskiw | 3 years | December 8, 1997 (E) |
| | Karl Mueller | 3 years | December 11, 1995 (E) |
| | Bernard Boissonneau | 1 year | January 5, 1998 (A) |
| | Alan Kimble | 1 Year | March 16, 1998 (A) |

Committees of Council include Recreation, Tourism Advisory, Sign/Road Maintenance and any other committee as required and stipulated in the Council Procedures Policy. A chairperson and members are to be appointed to each committee prior to the fourth meeting of a Council each year. There were no appointments done in 1998 and 1997.

A review of minutes of Council meetings shows that resignations and appointments to Council have not always been approved by resolution. For example, in July of 1995, it appeared that Council was comprised of seven members, as there was no indication that a Council Member had resigned. Appointments to Council are to be done according to section 47 of the Local Authorities Election Act. In addition, section 14(1) of the Settlements Act states that: "Every council shall exercise its powers and perform its duties by resolution."

A review of minutes shows that Council has passed a number of resolutions without the required quorum. The following examples demonstrate the type of problems encountered over the years:

April 1995 Motion 9508-117 - John Hill resigns (no signed letter) – five members remain.

- June 19, 1995 Meeting 9513 - three Councilors at this meeting – no quorum. John Hill seat remains vacant.
Motion 9513-196 - Evellyn Coleman resigns.
Motion 9513-197 - Patrick Coleman resigns – three members left, of which, two are present at this meeting.
Motion 9513-198 – accept submission for seats on council from Anne Cadieux and Jake Klassen.
Decisions and resolutions made at this meeting are invalid (motions 196-221).
- June 26, 1995 Two members present – no quorum prior to swearing in. Anne Cadieux sworn in. Three resolutions passed (three members present – still no quorum).
Jake Klassen sworn in – now five members of Council.
- July 10, 1995 Alan Kimble and Glen Klassen sworn in - no indication of appointment.
Council now has seven members – no indication that Bob Fry resigned – his last meeting attended was June 15, 1995.

Sections 31(1) of the Settlements Act addresses the matter of validity of resolutions stating that: "Subject to this Act, a resolution is not valid unless a majority of the council members present and voting at a duly constituted meeting of council vote in favour of it."

In the repeated absence of quorum, a number of resolutions are invalid.

The appointment of a chairperson has also been problematic. Council was unable to break a tie in the appointment of chairperson and chose to appoint two co-chairs. Under the Enterprise Settlement Corporation Continuation Order and the Settlements Act, Council shall appoint one chairperson only. The matter could have been resolved a number of ways such as keeping in place the previous Chairperson, or selecting the Council members who had received the greatest number of votes during the last election.

SENIOR ADMINISTRATIVE OFFICER APPOINTMENT

A number of individuals have filled the position of Senior Administrative Officer. The latest incumbent, Bonnie Kimble, assumed the position on February 24, 1998 by motion 9807-075. This followed her resignation as Chairperson of the Settlement Corporation, motion 9807-074. She replaced Hans Wiedemann, (in place as of October 1, 1997) who was dismissed on February 16, 1998 by motion 9805-0062. This motion was later amended at the February 20, 1998 meeting by motion 9806-067.

Mr. Wiedemann's counsel has been in contact with the Enterprise Settlement and it is not known if Mr. Wiedemann will pursue legal action for being dismissed.

Prior to that time, Linda Brownless was Senior Administrative Officer (February 12, 1996 to September 8, 1997), preceded by Bonnie Kimble (start date unknown to January 22, 1996).

It was determined that formal contracts covering the employment terms and conditions with the Senior Administrative Officers were never entered into.

ELECTIONS

A review of election files could not be completed as no specific election files were located. The Inspectors were unable to interview the Returning Officer concerning the 1997 general election, Lesley Lobb, or the Returning Officer for the 1996 general election, Linda Brownless. The ballot box was not located or examined.

The Local Authorities Elections Act prescribes that a number of procedures be performed during and after an election. In the absence of appropriate documentation, the Inspectors were unable to determine if these procedures were followed during the December 8, 1997 general election.

The Inspectors could not determine if ballots and other election material were destroyed by the Senior Administrative Officer. The declaration specifying the date, time and place of the destruction was not located. These are required by section 79 of the Local Authorities Elections Act.

COUNCIL MEMBER INDEBTEDNESS

A review of the Settlement Corporation's records indicates that no council member would be required to vacate his/her seat, under section 17 of the Settlements Act, as a result of ineligibility under section 20 of the Local Authorities Elections Act, owing to indebtedness to the Municipal Corporation of more than \$500 for more than 90 days.

COUNCIL EFFECTIVENESS

Given the demands on Councillors' time, it is important that Council be provided with sufficient information to quickly and adequately assess agenda items. A review of the information provided to Council in the agenda package indicates that information is being distributed, though not always in a timely manner. There is also an indication that information is not always provided prior to meetings.

Yearly Council elections highlight the need for Council to agree on annual goals, objectives and priorities. No formal goals, objectives or strategic planning processes have been undertaken with the current Council.

To assist Council Members in this matter, MACA has offered to provide workshops. Participation in these workshops can clarify the role and responsibilities of council members, assist council members in fulfilling their statutory obligations, and increase council effectiveness. MACA has provided similar workshops to former Council Members, employees and volunteers.

MINUTES AND MEETINGS

The Settlement Corporation Council holds its regular meetings on the second and fourth Monday of each month fixed by the Council Procedures Policy, unless changed by resolution.

Agendas are prepared for each meeting by administration and the Chairperson, although there is no formal procedure outlined in the Council Procedure Policy. Proper notice appears to have been given for most Council meetings pursuant to sections 24-26 of the Settlements Act. Hard copies of agendas were not attached to the minutes, there is, however, indication that agendas were approved at the start of most meetings.

The Inspectors could not find regular written minutes, reports or committee recommendations to Council. It was noted that there were some minutes for various committee meetings, though no evidence that these were formally presented to Council.

The Inspectors were unable to find evidence to determine whether notice of special meetings was done as per section 26 of the Settlements Act.

Council minutes from January 1996 to February 1998 were reviewed. The Chairperson and Senior Administrative Officer signed most of the Council minutes reviewed.

A review of minutes of Council meetings shows that a number of other sections of the Settlements Act, such as section 36 (recording minutes and votes) and section 22 (holding in-camera meetings), were not consistently followed.

Council minutes are not always consistent with section 2 of the Conflict of Interest Act. Specifically, a member must disclose not only an interest in a matter to be discussed, but also the extent and not take part in the consideration, discussion, voting nature of the interest. Minutes frequently only disclose the declaration of interest.

A review of minutes has also identified that motions have also been problematic for Council. Motions which are formal proposals for decision making are put to Council in order to make a decision. As such, motions should be clear as to the intent, extent, and definition to answer the question "what decision has been made".

Many of the motions put to Council can be described as either ill defined and vague, or overly detailed. In both instances Council is left without adequate decision-making support. Examples of these problematic motions are too numerous to detail.

POLICIES

Formal policies and procedures to guide and govern Settlement Corporation operations as required under the Settlements Act, are essential to a Settlement Corporation. Unlike Municipal Corporations, Settlement Corporations do not have the power to make decisions by by-law. By-laws outline the Municipal Corporation's authority to do something, and the manner in which it will exercise this authority. In the absence of by-laws, Settlement Corporations must define their actions through resolutions, policies and procedures.

Without policies and procedures, various aspects of the Settlement Corporation's operations are subject to individual interpretation.

The policies and procedures which are critical to Settlement Corporations include, but are not limited to:

- Council Indemnity + Allowances;
- Council Procedures;
- Acquisition, Holding and Disposal of Personal Property;
- Contract Tendering and Awarding;
- Employment;
- Office Procedures;
- Accounting; and
- Water and Sewage rates and other charges for services.

The Enterprise Settlement Corporation does not have policies and procedures established for contract tendering and awarding. The Inspectors found that contracts are not always tendered, are not always written, are not always signed, have no guidelines as to how they were awarded, may not have followed conflict of interest guidelines, and have missing documentation.

To facilitate the efforts of Settlement Corporation Councils in carrying out their duties, the Regional Office has outlined the process for drafting, approving and amending policies.

Policies should be in similar format to by-laws and include authorities, preambles and definition sections. Policies should have three readings, be signed and sealed, and require the same process to amend and repeal. The only difference from by-laws is that there would be no enforcement and penalties. The Regional Office has provided the Settlement Corporation with these guidelines in the past.

The Council Indemnity Policy approved by the Minister on February 7, 1992, defines the allowable payments to Council Members. Council has provided for payments outside of the approved policy without Ministerial approval, which is required as per section 34 of the Settlements Act. The section states that "Subject to the approval of the Minister, a council may, by resolution, provide for the payment of:

- (a) an annual indemnity
 - (i) to the chairperson, and
 - (ii) to the councillors;
- (b) an indemnity to council members for attending meetings of council or for performing any other duties; and
- (c) a reasonable allowance for expenses necessarily incurred in the performance of a council member's duties.

The Council Procedures Policy should outline how Council wishes to operate its procedures. The current policy is vague and has undergone constant changes. Policy of this nature should provide a consistent and lasting mechanism to assist Council in carrying out its duties. The Inspectors have found that sections of the Policy are not followed while others could contradict statutory requirements. For example, section 16 of the Policy which deals with eligibility to stand as a candidate is not consistent with section 18 of the Local Authorities Elections Act.

The Settlement Corporation, under section 7(2) of the Settlements Act, may by resolution enter into contracts. A simple and effective practice is for Council to approve by resolution, a policy respecting contract procedures. As a result, all contracts should be approved as required by section 7(2). This section states:

"A council may, by resolution, provide for the making of

- (a) contracts for and on behalf of the settlement corporation; and
- (b) contracts with other persons for the provision of services on behalf of the settlement corporation."

As a result of not having a procedural policy in place, there are many problems with contract tendering and awarding.

There are associated motions related to contracting such as the Local Contractors Policy but no comprehensive procedural policy. The Inspectors identified many instances of lack of tender documentation (if any), bid documents, awarding criteria, signed contracts, change orders, dollar values and performance reports.

There is also some concern with conflict of interest and relationships between councillors, staff and contractors.

The Department has assisted on many occasions by offering workshops and providing templates for contracts. Specific contract issues will be dealt with further in this report.

As for contract policy, the Settlement Corporation does not have a policy respecting the acquisition, holding, and disposal of personal property as required by section 8(2)(3) of the Settlements Act that states:

“(2) A council may, by resolution, provide for the acquisition, holding and disposal of personal property belonging to the settlement corporation.

(3) No person shall sell or dispose of any property belonging to the settlement corporation except in accordance with a resolution made under subsection (2).”

It was noted that Council has disposed of personal property belonging to the Settlement Corporation without a procedural policy.

There may also be conflict with section 65.2 of the Settlements Act that states: “A council may, by resolution, approved by the Minister, write off an asset owned by the settlement corporation.” The Inspectors were unable to determine, due to lack of certified or up-to-date asset inventories, whether or not assets have been written off and disposed of.

The Water and Sewage Rates Policy needs to be reviewed. Council has abdicated some responsibility for providing services to residents by allowing residents to purchase water directly from the water delivery contractor. These responsibilities are outlined in the Enterprise Settlement Corporation Continuation Order.

A number of other policies however informal and vague are in place. In addition to the policy gaps identified above, comprehensive policies are required to cover areas such as Office Procedures, Accounting Procedures, Equipment Usage, and Employment (Human Resources).

RECORDS MANAGEMENT

FILE MANAGEMENT AND CONTROL

The Settlement Corporation does have a central records system. No file indexes were available. Files are kept by each functional area in an alphabetic filing system making file research difficult. A number of information materials which the Inspectors expected to find in the files could not be located. The secretary advised that files were in the process of being updated.

There is no procedure for hard copying electronic data and filing. It was noted that e-mails and electronically transferred information were lost or destroyed.

The Settlement Corporation does not have a policy related to the retention and disposal of records. The Inspectors found that records dating back to the 1980's were still in active files. It would be advisable for the administration to prepare a policy for Council's approval outlining records retention and disposal.

VITAL RECORDS

Vital records are those which cannot be replaced including contracts, original policies, agreements, accounting ledgers (paper and computer backups), original computer start up disks and accounting setups, and other records of original entry.

The Settlement Corporation has a locked file case which should contain all vital records and items like blank checks and petty cash. Administration must ensure that all books of original entry, all one-of-a kind documents, original policies, etc. are protected from unforeseen destruction by the proper storage of these items. The Inspectors found that many of these documents were not stored properly.

It was noted that the seal for the Settlement Corporation was kept in a locked cabinet in the Senior Administrative Officer's office.

HUMAN RESOURCE MANAGEMENT

JOB DESCRIPTIONS AND PERFORMANCE APPRAISALS

The Settlement Corporation does not maintain up-to-date job descriptions for each of its employees. It could not be determined if employee performance appraisals are conducted. There is an unapproved Appraisal Policy and an approved Leave Policy. It would be advisable to consolidate both policies under one comprehensive policy.

ADMINISTRATION

ORGANIZATIONAL STRUCTURE

Currently, there are approximately four positions with the Settlement Council. These include the Senior Administrative Officer, Secretary, Maintenance Person, and Janitor. There is no current organizational chart. Casual employees are hired as needed and most services are contracted out.

POLICY AND PROCEDURES

Policy and procedure outlines why and how matters under the control of the Settlement Corporation will be dealt with. The policy would ensure consistency of information processing, evaluation of employees, evaluation of services delivered by the Settlement Corporation, and training of new employees.

It is advisable that financial procedures closely follow the Hamlet Financial Administration Handbook. Other policies and procedures that should be attended to include:

- Accounts receivable/invoicing collections and penalties;
- Tender calling/awarding policy and procedures;
- Inventory policy and procedures;
- Office procedures/mail distribution/filing/record retention and disposal; and
- Contracting policy and procedures.

LEGAL

The Settlement Corporation retains Davis & Company of Yellowknife as its legal counsel.

CONTRACTS

The Settlement Corporation does not have a Contract Procedures Policy as required per section 7 of the Settlements Act. The concerns under policies are stated earlier in this report in the Policy section above.

This section, however, will deal with specifics of some of the contracts. Research conducted by the Inspectors found no signed contracts, no evidence of tendering or awarding, lack of or poor proposals for contracts, no backup documentation such as business licences, Workers Compensation coverage, or insurance; no evidence as to what measurements were made to judge proposals, no contract change orders, and no follow up with completion reports.

The School Bussing Contract is problematic. The contract for school bussing was awarded to T & T Contracting, owned and operated by Councillor Bernard

Boissonneau, on August 22, 1997 (motion 9718-235). The Inspectors could find a copy of a hand written proposal but no signed contract.

The Workers' Compensation Board has ruled that they consider the contractor an employee of the Settlement Corporation. In addition, the contractor has not passed a criminal records check required for the work. Overall, the Councillor may have acted in conflict of interest, and furthermore, Councillors cannot be employees as stated in section 49 of the Settlements Act.

Since the date of the Inspection, the Department has received additional information, specifically a draft of this contract (unsigned) from the Settlement Corporation's legal counsel, and a copy of the attached appendices to the agreement from Councillor K. Mueller.

The Recreation Contract is also problematic. Recreation services are contracted to The Society for Recreation and Growth in Enterprise (SRGE). The Society Board of Directors include Winnifred Cadieux (Vice Chairperson of Settlement Corporation), Bonnie Kimble (Senior Administrative Officer of the Settlement Corporation), Flo Warden, Anne Cadieux, and Vicki Kimble.

There are problems related to section 45 of the Settlements Act with respect to the Senior Administrative Officer, Bonnie Kimble, who is also owner/operator of Office Links, because Office Links provides administrative services to the SRGE. The Inspectors could not find a signed contract and backup documents, between the SRGE and the Settlement corporation. A review of the draft proposal for recreation from SRGE to the Chairperson of the Settlement Corporation; the draft contract proposal; a letter from Office Links on the draft contract; a letter from the RCMP regarding a complaint from K. Mueller; and 2 monthly reports on finances from the SRGE shows that the contract process was lacking. The Inspectors could not find whether a cost/benefit analysis or a recreation plan was done to ensure all residents have access to recreation programming.

There is also some concern with potential conflict of interest in the decision making processes by Council. This matter requires additional research.

The inspection also identified licensing issues such as contracts awarded to unlicensed businesses, operating businesses in Enterprise with Hay River licences and not GNWT or Enterprise licences.

FINANCE

CASH MANAGEMENT

Effective cash management refers to a sound and systematic approach to manage an inventory of cash. Management considerations include accounts receivables and payables, as well as banking arrangements.

The Settlement Corporation does not do cash projections or budgeting. Mutual Group is used to invest surplus cash in guaranteed investment certificates. There is no authority to do so under the Settlements Act and they may be restricted from doing so by section 58 of the Settlements Act.

AUDITOR

Fraser, Matthews and Co. serve as the auditor for the Settlement Corporation. The auditor was appointed for the 1996/97 fiscal year on March 24, 1997, by motion 9708-092. There was no indication that audit services were tendered for a specific period of time.

AUDITOR'S REPORT

Council approved the audited financial statements for 1996/97 at the June 23, 1997 meeting by motion 9713-161.

A final management letter was prepared subsequent to the financial audit of the Settlement Corporation's financial statements by the Settlement Corporation's auditor. It is noted in the Auditor's Management Letter that a number of specific procedural items should be attended to.

RESERVE FUNDS

The Settlement Corporation does not maintain reserve funds.

BANKING AND SIGNING AUTHORITY

The Settlement Corporation banks with the Canadian Imperial Bank of Commerce in Hay River.

Chairperson, Genevieve Clarke, and Vice-Chairperson, Winnifred Cadieux exercise signing authority on behalf of the Council. Senior Administrative Officer, Bonnie Kimble exercises signing authority on behalf of administration. It was noted that signing authority changes frequently with the resignations and appointments to Council. Section 59 of the Settlements Act states who can sign cheques.

In the past, Council has authorized resigning Councillors to remain signing authorities until seats are filled. This practice contravenes Section 59(1)(b) as only the chairperson, a designated councillor and the senior administrative officer have signing authorities. Former councillors are no longer councillors under the legislation.

BUDGETS AND FINANCIAL STATEMENTS

The Senior Administrative Officer prepares an annual budget in the same format as annual statements.

Section 54 of the Settlements Act requires a budget to be adopted before each fiscal year. For 1997/98, the budget was discussed by Council but was not approved. The Department did not receive the 1997/98 budget as required by section 55 of the Settlements Act.

Monthly financial statements are not always completed and approved in a timely manner. In 1996, the Department hired a contractor to bring the financial statements up-to-date, which at the time were 7 months behind. Council has just approved financial statements for October 1997 to January 1998. It is important that financial statements be presented to Council on a timely basis in order to have adequate and relevant financial information on which to base decisions.

MISCELLANEOUS FINANCIAL PRACTICES

The Settlement Corporation uses the ACCPAC Plus system for its financial information system. Until recently only the general ledger module was being used. Administration is starting to use the other modules. The Department and contractors have provided computer accounting assistance on several occasions over the last few years, the latest being from a contractor while the Inspectors were conducting the on-site inspection.

The general ledger has not been closed properly for the first 7 months of 1996/97 and

the last 6 months of 1997/98. The administration must ensure that financial statement processing is done on a timely basis.

Accounts payable were noted by the Auditors in the management letter for 1996/97. The administration has started to improve this system in December of 1997 by starting a purchase order system. It is not known if purchase orders are applied to all purchases.

Accounts receivable was computerized on ACCPAC Plus in February of 1998.

The payroll system includes only the Senior Administrative Officer and finance clerk. It was noted that the maintenance person and janitor are paid through the accounts payable system. Revenue Canada will require source deductions for these employees. It was also noted that source deductions are not taken from honoraria payments to Council Members.

Bank reconciliations were completed to November 1997 and were being worked on to date. It is important that administration complete bank reconciliations as soon as bank statements are received. Bank reconciliations verify cash balances and accounting records.

ASSET HOLDING, ACQUISITION AND DISPOSAL

ASSET INVENTORY, APPRAISAL AND INSURANCE

The Settlement Corporation purchases insurance services under the NWT Association of Municipalities comprehensive, dishonesty, disappearance and destruction insurance.

It has been observed that a detailed inventory of contents is a requirement to an expeditious settlement of claim. There were no up-to-date inventories of office equipment and supplies. Given that a detailed inventory is not done on a yearly basis all insured items, including building contents, should be photographed or videotaped and the photographs or videotapes stored in an off-site location or fireproof safe. This will provide a visual record of insured items and will facilitate possible claims settlement.

ASSET ACQUISITION, HOLDING AND DISPOSAL

The Settlement Corporation does not have a policy respecting the acquisition, holding, and disposal of personal property as required by section 8(2)(3) of the Settlements Act that states:

"(2) A council may, by resolution, provide for the acquisition, holding and disposal of personal property belonging to the settlement corporation.

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The Inspectors were unable to determine, due to lack of certified or up-to-date asset inventories, whether or not assets have been written off and disposed of.

COMMUNITY WORKS AND CAPITAL PLANNING

MAINTENANCE MANAGEMENT

The Settlement Corporation currently has one maintenance worker. Maintenance is usually done as required and appeared limited to minor duties such as cleaning ditches and cutting grass. Most other items related to maintenance appear to be contracted out.

The Department of Public Works and Services is responsible for maintenance of the Community Assembly Building and the Firehall. There was no evidence of preventative maintenance schedules for assets. The Settlement Corporation has a Care, Custody, and Control Agreement for the Community Assembly Building, Firehall, Old Community Hall and Office Trailer.

CAPITAL PLANNING

There are a total of four projects slated on the Enterprise Settlement Corporation's Capital plan for the years 1998/99 through to 2002/2003.

The Settlement Corporation should list all building and equipment deficiencies as well as minor capital work that needs to be done, and have this brought to Council or Public Works and Services. Capital planning also includes the projects the community can identify and do on its own. A listing of projects will also help Council to identify workplans for staff or specific government funded programs.

OTHER SECTIONS

EMERGENCY MEASURES

The Enterprise Emergency Measures Plan could not be located. The Department has forwarded a draft plan to Council in September of 1995. Review of the minutes did not indicate Council's approval of an Emergency Measures Plan. Section 7 of the Civil Emergency Measures Act requires the Settlement Corporation to have a plan in place.

EMERGENCY SERVICES

The Settlement Corporation has a Volunteer Fire Brigade with the current Fire Chief being Elwyn Clarke.

TRAINING AND WORKSHOPS

Training requirements should be assessed based on personnel evaluations and appraisals. Another tool to help identify training needs would be project assessment, which is currently not being done. In general, training appears to be required in community operations, and specifically, for procedures and computer operations.

Training is also required for Council related to all aspects of council operations. Over the years, the Department has offered and assisted the Settlement Corporation in improving their governance and operations.

CONCLUSIONS AND RECOMMENDATIONS

The Inspectors concluded that the Enterprise Settlement Council is not fulfilling its statutory obligations as a public government. The Inspectors have identified 25 violations of municipal legislation.

The following violations were identified:

- resignations and appointments of Council members contravene section 47 of the Local Authorities Elections Act;
- quorum contravene section 3 Enterprise Settlement Corporation Continuation Order and section 20 of the Settlements Act;
- validity of resolutions as per section 31 of the Settlements Act
- designation of Chairperson as per section 3 Enterprise Settlement Corporation Continuation Order and section 23 of the Settlements Act
- appointment of the senior administrative officers as required under section 43 of Settlements Act

- unable to find evidence to determine if the procedures followed regulations under the Local Authorities Elections Act
- unable to find evidence to determine if election materials were destroyed per section 79 of the Local Authorities Elections Act
- unable to find evidence to determine if proper notice of special meetings given as required by section 26 of the Settlements Act
- special meeting requests not in writing as required by section 26 of the Settlements Act
- in camera meetings not conducted as required by sections 22 and 36 of the Settlements Act
- conflict of interest not always declared as per section 2 of the Conflict of Interest Act
- indemnity payments made outside of Ministerial approved indemnity policy as required by section 34 of the Settlements Act
- section 16 of the council procedures contradicts section 18 of the Local Authorities Elections Act
- no contract procedures policy as required by section 7 of the Settlements Act
- no acquisition, holding and disposal of personal property policy as required by section 8 of the Settlements Act
- write off of assets is not following section 65.2 of the Settlements Act
- no contract procedures policy as required by section 7 of the Settlements Act
- contract with council member not allowed under section 49 of the Settlements Act
- contract potentially involving the senior administrative officer not allowed under section 45 of the Settlements Act
- no authority to invest surplus cash outside of bank as limited by section 58 of the Settlements Act
- signing authority contravenes section 59 of the Settlements Act
- 1997/98 budget not approved as per section 54 of the Settlements Act
- budget not submitted to MACA as required by section 55 of the Settlements Act
- no policy or approval for acquisition, holding and disposal per section 8 of the Settlements Act
- no formal approval of emergency measures plan as required under section 7 of the Civil Emergency Measures Act

The Inspectors are recommending that the Minister appoint an Administrator to the Enterprise Settlement Corporation as per section 72 (b)(c) of the Settlements Act.