mpac Municipal Property Assessment Corporation™

Quality Assurance Committee

Terms of Reference

Purpose

The Quality Assurance Committee oversees MPAC's core assessment operations, quality-related risks and internal controls to promote a culture of quality throughout the organization. The Quality Assurance Committee shall provide objective, strategic guidance and advice on quality issues identified by Board members, the Executive Management Group, the Quality Service Commissioner, customers or other stakeholders.

The Committee's major responsibilities include oversight of:

- the Quality Service Commissioner (pursuant to sections 4.1 and 5 of the *MPAC Act*);
- MPAC's statutory obligations – and obligations of property assessors generally – under the *Assessment Act* or any other Act (pursuant to section 9(1) of the *MPAC Act*); and
- MPAC's procurements to ensure value for money.

Composition

1. The Quality Assurance Committee shall consist of a minimum of five (5) and a maximum of nine (9) directors of the Board. The Chair and Vice-Chair may (but are not required to) serve on the Quality Assurance Committee.

2. Members of the Quality Assurance Committee shall not be drawn solely from any one municipal, taxpayer or provincial representative group.

3. At least two (2) Directors shall be a member of each of the Audit Committee and the Quality Assurance Committee.

4. Each member of the Quality Assurance Committee shall serve at the pleasure of the Board, and only so long as the member is a Director.

5. The Quality Assurance Committee shall annually elect, from among its members, a Chair to preside over the meetings and fulfill the Position Description of the Quality Assurance Committee Chair.

6. MPAC shall provide a Minute taker to assist the Corporate Secretary with, among other responsibilities, taking minutes at Quality Assurance Committee meetings, and shall provide any other resources to the Quality Assurance Committee that the Quality Assurance Committee deems appropriate in order to fulfill the Quality Assurance Committee's Terms of Reference.

Meetings

7. The Quality Assurance Committee shall meet at least four (4) times per year.

8. Unless otherwise determined by the Board, a majority of the total members of the Quality Assurance Committee, but not fewer than three (3), shall constitute a quorum for the transaction of business of Quality Assurance Committee meetings.

9. The Quality Assurance Committee shall maintain minutes of its meetings in which shall be recorded all actions taken by the Quality Assurance Committee. Such minutes shall be forwarded to the Board and inserted in the Minute Book of MPAC.

10. Meetings of the Quality Assurance Committee shall be held at the Pickering Office of MPAC or at any other place in Ontario as specified in the notice calling the meeting.

11. At each regularly scheduled meeting of the Quality Assurance Committee, members may meet in a Closed session with the Quality Service Commissioner and the Quality Service Commissioner may request a Closed session with the Committee members.

Responsibilities

Quality Service Commissioner

12. Pursuant to section 4.1 of the *MPAC Act*, the Board of Directors shall appoint the Quality Service Commissioner, who shall be an employee of the corporation.

13. The Quality Assurance Committee is responsible for setting the scope of the Quality Service Commissioner Work Plan as it relates to MPAC's core business and broader quality-related risks and controls.

14. Without limiting the unrestricted assurance purview and mandate of Internal Audit Services, and with the intent of coordinated coverage and the minimizing of duplication, the Quality Service Commissioner and the Corporate Audit and

Risk Officer shall take all reasonable steps to ensure coordinated assurance over risks and internal control testing across the Quality Service Commissioner Work Plan and the Internal Audit Work Plan, respectively. The Quality Service Commissioner shall present such coordinated assurance to the Quality Assurance Committee.

15. The Quality Assurance Committee shall review an annual risk-based Work Plan for the Office of the Quality Service Commissioner and make recommendations to the Board for consideration and approval.

16. The Committee may request that the Quality Service Commissioner perform special studies or reviews in matters of interest or concern to the Committee or the Board.

17. Upon the review and recommendation of the Quality Assurance Committee, the Board shall consider and approve the mandate, resources (amount and type) and budget of the Quality Service Commissioner, and shall approve the appointment, performance review and compensation of the Quality Service Commissioner.

18. The Quality Assurance Committee shall receive and review periodic reports from the Quality Service Commissioner addressing:

    a. department responsibilities and staffing;
    b. whether the Office of the Quality Service Commissioner has had full access to MPAC's books, records and personnel relating to quality;
    c. progress on the Quality Service Commissioner Work Plan, including any significant changes to it;

d. significant review findings, including issues as to the adequacy of internal control over quality and any procedures implemented in light of significant control deficiencies; and
e. any significant internal quality issues.

19. The Quality Assurance Committee shall periodically review the performance and independence of the Quality Service Commissioner function.

20. The Quality Assurance Committee shall receive, review and discuss, and transmit to the Board for their information, findings and reports produced by the Quality Service Commissioner. Such reports shall identify findings, results of tests of internal controls, and recommendations. Where action plans are required to mitigate quality risks, ensure compliance, and strengthen internal controls that are identified by Quality Service processes, such action plans and their implementation by senior and operating management are to be reviewed by and reported to the Quality Assurance Committee at each regularly scheduled meeting.

21. The Quality Assurance Committee shall receive and review all reports related to ensuring that MPAC performs the duties assigned to it under the *Assessment Act* or any other Act and assigned to property assessors under any other Act (pursuant to section 9 (1) of the *MPAC Act*), and ensuring compliance with the policies, procedures and standards established by the Minister of Finance for the provision of assessment services by MPAC (pursuant to section 10 of the *MPAC Act*).

22. The Quality Assurance Committee shall review all reports using the Canadian Property Assessment Network (CPAN) to compare MPAC to other assessment jurisdictions, including with respect to quality, assessor training, cost and value for money.

23. The Quality Assurance Committee shall review procedures for the receipt, retention and treatment of complaints relating to assessment matters that have been investigated by the Quality Service Commissioner and review the results of the investigation and treatment of these complaints.

24. The Quality Assurance Committee shall resolve any disagreements between the Quality Service Commissioner and the Executive Management Group.

25. The Quality Assurance Committee shall, at least every four (4) years, oversee an independent external review or a Quality Service Commissioner self-assessment with independent validation of the operations and effectiveness of the Quality Services function to ensure that the Office of the Quality Service Commissioner is in compliance with industry best practices.

Performance Management

26. The Quality Assurance Committee shall annually establish and recommend to the Board for consideration and approval the corporate Key Performance Indicators (KPIs) which shall be included in the performance management framework and review quarterly the report outlining MPAC's performance. Supplemental reports including MPAC's performance on environmental, social and governance (ESG) and operational targets will be provided to the Board for information.

27. The Quality Assurance Committee shall review annually, with the Executive Management Group and the Quality Service Commissioner, the adequacy of MPAC's internal controls relating to the core assessment business and make inquiries about any significant control weaknesses that may materially impact MPAC.

Continuous Improvement

28. The Quality Assurance Committee shall receive and review regular updates on the implementation of major information technology projects and ensure that the necessary steps have been taken to meet business, time and budgetary goals.

29. The Quality Assurance Committee shall review changes to the charters of the Information Technology Advisory Panel (ITAP) and the Planning Services Advisory Panel (PSAP) and shall make recommendations to the Board for consideration and approval.

30. The Quality Assurance Committee shall receive, review and transmit to the Board for their information all reports from the ITAP and PSAP.

Procurement Spend Approvals

31. Except for procurement spend requests pertaining to the Commercial and Client Solutions Division (which are under the purview of the Executive Committee), the Quality Assurance Committee shall review procurement spend requests and make recommendations to the Board for approval.

Other Responsibilities

32. The Quality Assurance Committee may be delegated other responsibilities by the Board.

33. Any corporate, administrative or other matters not specifically mentioned in any other committee's Terms of Reference shall be the responsibility of the Quality Assurance Committee.

Resources

34. The President and Chief Administrative Officer and the Quality Service Commissioner may have direct communication with the Quality Assurance Committee Chair at any time.

35. The President and Chief Administrative Officer, the Quality Service Commissioner and the delegated Corporate Secretary shall attend all Quality Assurance Committee meetings.

36. Other members of the Executive Management Group or the Senior Leadership Team may be asked to attend meetings of the Quality Assurance Committee as the Committee deems appropriate.

37. The Quality Assurance Committee shall review the need for any resources beyond those identified above. Such additional resources shall be provided by MPAC as deemed appropriate by the Quality Assurance Committee in fulfilling these Terms of Reference.

Committee Operations

38. The Quality Assurance Committee shall prepare annually a Committee Work Plan to ensure that the foregoing responsibilities and priorities are scheduled and fully addressed. The Work Plan shall be presented to the Board for consideration and approval.

39. The Quality Assurance Committee shall evaluate at least every three (3) years the adequacy of these Terms of Reference and recommend any proposed changes to the Governance and Human Resources Committee for consideration and recommendation to the Board of Directors for approval.

40. The Quality Assurance Committee shall, at least annually, review its compliance with these Terms of Reference and evaluate its overall effectiveness and shall report thereon to the Board.

41. Following each Quality Assurance Committee meeting, the Quality Assurance Committee Chair shall report to the Board on the activities, findings, due diligence, and any recommendations of the Quality Assurance Committee.

Procedures

42. The Quality Assurance Committee may meet in separate, non-management Closed sessions with internal personnel or outside advisors, as needed or appropriate.

43. The Quality Assurance Committee may meet in separate, non-management In Camera sessions at each regularly scheduled meeting.

44. The Quality Assurance Committee shall have sole authority to retain, oversee, compensate and terminate independent advisors to assist the Committee in its activities.

45. The Quality Assurance Committee shall receive adequate funding from MPAC for independent advisors and ordinary administrative expenses that are needed or appropriate for the Committee to carry out its duties.

46. The Quality Assurance committee shall, in consultation with the Board Chair, retain, oversee, compensate and terminate, as appropriate, independent advisors to assist any individual Quality Assurance Committee member as necessary.

47. The Quality Assurance Committee shall carry out any other appropriate duties and responsibilities assigned by the Board.

To honour the spirit and intent of applicable law as it evolves, the authority to make minor technical amendments to these Terms of Reference is delegated to the Manager, Board Administration, who shall summarize and report any minor amendments to the Governance and Human Resources Committee annually for information. The Governance and Human Resources Committee shall review any material change(s) to these Terms of Reference at its next regularly scheduled meeting and recommend such change(s) to the Board for consideration and approval.

For Reference:

Closed session: A session with Board members only and internal personnel or outside advisors, as needed or appropriate.

In Camera session: A session with Board members only.

A ***material*** change to a governance document is a substantive or fundamental change. It includes but is not limited to: a proposed change to a role, right, responsibility, or reporting relationship.

An ***administrative*** change to a governance document is non-substantive. It includes, but is not limited to: a definition, the use of adjectives, an elaboration, a footnote, the use of examples, consolidation of an administrative change in another document for consistency, or the use of technical or clarifying language.
An administrative change does not fundamentally alter any existing role, right, responsibility or reporting relationship.

History

Amendments:	N/A
Board Received Date:	December 11, 2024
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