



MUNICIPAL PROPERTY ASSESSMENT CORPORATION

QUALITY ASSURANCE COMMITTEE

TERMS OF REFERENCE

Purpose

The Quality Assurance Committee of the Municipal Property Assessment Corporation (MPAC) is established by the Board of Directors (Board) to enable the Board to fulfill its oversight responsibilities in relation to:

- The oversight of the quality of MPAC's core assessment business;
- The oversight of quality-related risks and internal controls; and
- The oversight of the Quality Service Commissioner.

Quality is articulated in MPAC's Mission: *"To serve Ontario property taxpayers together with provincial and municipal stakeholders through accurate and timely property assessments and a commitment to service excellence and efficiency."*

Composition

1. The Quality Assurance Committee shall consist of a minimum of five (5) and a maximum of seven (7) 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. 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.
4. 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.
5. MPAC shall provide a Corporate Secretary (Executive Director, Board Governance) to, among other responsibilities, take minutes at Quality Assurance Committee meetings, and shall provide any other resources to the Quality Assurance Committee that the Committee deems appropriate in order to fulfill the Committee's Terms of Reference.

Meetings

6. The Quality Assurance Committee shall meet at least four (4) times per year.
7. A majority of the members of the Quality Assurance Committee shall constitute a quorum for the meetings of the Quality Assurance Committee.
8. The Quality Assurance Committee shall maintain minutes of its meetings in which shall be recorded all actions taken by the Committee. Such minutes shall be forwarded to the Board and inserted in the Minute Book of MPAC.
9. 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.
10. At each regularly scheduled meeting of the Quality Assurance Committee, members shall meet in a Closed session with, in no particular order, the Quality Service Commissioner and the Director, Enterprise Risk Management. Twice annually, or as otherwise deemed necessary by the Quality Assurance Committee, members of the Quality Assurance Committee shall meet in a Closed session with the Director, Internal Audit Services.

Responsibilities

Leadership

11. The Quality Assurance Committee shall provide objective, strategic guidance/advice on quality issues identified by, in no particular order, Management, the Quality Service Commissioner, the Director, Enterprise Risk Management, Director, Internal Audit Services, Board members, or customers or other stakeholders.
12. 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.
13. The scope of the Quality Service Commissioner Work Plan as it relates to MPAC's core business and broader quality-related risks and controls shall not be restricted. 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 Director, Internal Audit

Services 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.

14. 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 Assurance Commissioner, and shall approve the appointment, performance review and compensation of the Quality Assurance Commissioner.
15. The Quality Assurance Committee shall receive 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;
 - e. any significant internal quality issues; and,
 - f. the performance and independence of the Quality Service Commissioner function.
16. The Board of Directors shall have the sole authority to appoint or dismiss the Quality Service Commissioner.
17. The Quality Assurance Committee shall receive, and recommend to the Board for review and discussion, 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.

18. The Quality Assurance Committee shall receive and review all reviews related to the taking of all necessary steps and actions to ensure 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 (as per s.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 (s. 10 of the *MPAC Act*).
19. The Quality Assurance Committee shall resolve any disagreements between the Quality Service Commissioner and Management.
20. The Quality Assurance Committee shall, every four (4) years, oversee an independent external review of the operations and effectiveness of the Quality Services function to ensure that the Office of the Quality Service Commissioner is in compliance with best industry practices.
21. At least one (1) Director shall be a member of each of the Quality Assurance Committee and the Audit Committee.

Performance Management

22. The Quality Assurance Committee shall review the Corporate Balanced Scorecard performance management/measurement framework, focussing on the selection and achievement of the annual corporate Key Performance Indicators and related objectives.
23. The Quality Assurance Committee shall review the performance of MPAC as presented in the Quarterly Corporate Balanced Scorecard reports, including the reporting out of MPAC's risk areas and the associated mitigation activities by the Director, Enterprise Risk Management, and the testing of internal controls over the material quality-related risks by the Quality Service Commissioner and internal controls and assurance provided by Internal Audit Services.

24. The Quality Assurance Committee shall review annually, with Management 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.

Property Taxpayer, Municipal and Stakeholder Interaction

25. The Quality Assurance Committee shall review the outputs associated with research undertaken with property taxpayers, municipalities and stakeholders including surveys of customer satisfaction, MPAC brand and reputation, and focus groups to inform marketing and stakeholder engagement strategies. The Quality Assurance Committee shall report thereon to the Board.
26. The Quality Assurance Committee shall review the objectives, risks and results of major property taxpayer, municipal and stakeholder communications, marketing and engagement initiatives and shall report thereon to the Board.
27. The Quality Assurance Committee shall recommend to the Board for consideration and approval a Communication Policy for MPAC.
28. 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.

Continuous Improvement

29. The Quality Assurance Committee shall review quality management and continuous improvement initiatives (such as Rapid Results).
30. The Quality Assurance Committee may request the Quality Service Commissioner to perform special studies or reviews in matters of interest or concern to the Quality Assurance Committee or the Board.

Other Responsibilities

31. The Quality Assurance Committee shall review, immediately, any submission from the President and Chief Administrative Officer, or the Quality Service Commissioner, concerning any actual or suspected fraudulent or illegal acts with respect to MPAC's statutory responsibilities under the *Assessment Act*, and any

other Act, and the Quality Assurance Committee shall oversee any such action taken to resolve or mitigate such fraudulent or illegal acts.

32. The Quality Assurance Committee shall receive regular updates on the implementation of major information technology projects and take all reasonable steps to ensure that the necessary steps have been taken to meet time and budgetary goals.
33. The Quality Assurance Committee, in consultation with another Board Committee as necessary, shall review the risks of major information technology projects, and the impact of the implementation of information systems and technology, including privacy and cyber security, and take all reasonable steps to ensure that MPAC benefits from the technology to the fullest extent practicable.
34. Any corporate administrative items not specifically mentioned in a Committee's Terms of Reference shall be the responsibility of the Quality Assurance Committee.
35. The Quality Assurance Committee may be delegated other responsibilities by the Board.

Resources

36. In no particular order, the President and Chief Administrative Officer, Director, Enterprise Risk Management, Quality Service Commissioner and Director, Internal Audit Services shall have direct communication with the Quality Assurance Committee Chair at any time, and shall attend all Quality Assurance Committee meetings, as necessary.
37. Other members of the Executive or senior Management may be asked to attend meetings of the Quality Assurance Committee as the Committee deems appropriate.
38. 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

39. The Quality Assurance Committee shall prepare annually a Quality Assurance 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.
40. The Quality Assurance Committee shall evaluate at least every two (2) or 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.
41. 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.
42. 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

43. Subject to any restrictions imposed by the Board or MPAC's By-laws, the Quality Assurance Committee may periodically fix its own rules of procedure.
44. The Quality Assurance Committee shall meet in separate, non-management Closed sessions with internal personnel or outside advisors, as needed or appropriate.
45. The Quality Assurance Committee shall meet in separate, non-management In Camera sessions at each regularly scheduled meeting.
46. The Quality Assurance Committee shall have sole authority to retain, oversee, compensate and terminate independent advisors to assist the Committee in its activities.
47. 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.

48. 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.
49. 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 Executive Director, Board Governance, 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 non-management session with Board members and internal personnel or outside advisors, as needed or appropriate.

In Camera session: A non-management 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

Minor Technical Amendments: N/A
Effective Date: June 20-21, 2017
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