

1999/2000

Social Audit Report



Metro
Credit Union
will be the
community
financial
institution our
members want
us to be.

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Introductory Section



Message from the Chair of the Social Audit Task Force

This is Metro Credit Union's fourth social audit. The purpose of the social audit is to provide an objective means for measuring and assessing corporate social impact on key stakeholders – members, employees, the broader community – as well as environmental impact.

As the area of social auditing is somewhat new, existing templates for social audits, and particularly credit union social audits, do not exist. As a result, our previous audits have represented our attempts to develop such a template, not necessarily for the credit union movement as a whole, but at least for Metro Credit Union. Our last social audit, covering the period April 1, to December 31, 1998, was designed specifically to be replicated and to form the basis for future audits. I am pleased to report that this is indeed what has taken place.

The audit we have just completed, covering the 1999/2000 fiscal year, is based on the format of our previous audit. This audit measures activities that were measured in our previous audit. Comparability is a very important aspect of social audits as they allow readers to determine what changes, if any, have transpired within the organization over time.

When comparing data between the last two audit periods I would ask you to keep two things in mind. First, this audit covers a full twelve month period whereas the previous audit was only for nine months of activity. Second, the 1998 audit was only completed and reported to the Board of Directors in April of 2000, after the end of the 1999/2000 fiscal year. What this means is that many of the changes the

organization wished to undertake as a result of the previous social audit would not have had an impact on the results of this audit.

The results of this audit will be before the Board of Directors by September 2000, thus allowing the Board to address any outstanding issues they feel are priorities during this fiscal year. As a result, the social audit for the 2000/01 fiscal year will be able to reflect the organization's response to the previous two audits. Over the past year, the Board of Directors of Metro Credit Union has spent some time discussing the role of social audits in the credit union. A special Board meeting was held in April, 2000, to look at this topic alone. As a result of these discussions the Board has developed a social audit policy that sets out the roles and responsibilities of the various individuals and groups involved in the social audit process. The policy commits Metro Credit Union to undertake regular social audits. As noted above, a social audit will be conducted for the 2000/01 fiscal year.

I would like to thank the members of the Social Audit Task Force - Penny Bethke, Kit Chapman, Maggie Keith, Linda McCormick, Lynne Nagata, and Walter Whiteley for their hard work and commitment to this project. I would also like to thank our auditors, Rachel Martin and Leslie Brown of Ethics Matters not only for their work on the audit itself, but for assisting the Board in addressing some of the conceptual issues around social auditing. The staff at Metro Credit Union also deserve thanks for collecting and compiling the data necessary for the audit. In particular, I would like to thank Kerry Hadad, Director, Internal Audit & Quality Initiatives, for co-ordinating the data collection process and Larry Gordon, Vice-President, Development,

for assisting with the social audit development process.

I have had the honour of chairing all of Metro Credit Union's social audits. In this capacity I have had the great good fortune to work with some wonderful volunteers, staff and consultants. As I am no longer on the Board at Metro, the mantle of chair for the next social audit has been passed to my colleague Linda McCormick. I wish her great success in the next audit, I know it will be a rewarding, if occasionally frustrating experience.

Metro Credit Union has come a long way from our first foray into social auditing in 1993. I know that our efforts in this area have served to make Metro a more responsive organization to its members, staff and community. I hope that some of what we have learned is of assistance to other credit unions and other organizations who wish to take this path. If nothing else, I hope the lesson others take from us is that there is no substitute for learning from one's own experiences.

Jonathan Rudin

Chair, Social Audit Task Force

July 2000

We invite your comments and questions:

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Auditor's Opinion

Ethics Matters has conducted a social audit of Metro Credit Union and the findings are summarized in this report.

The audit involved checking the non-financial and financial information presented here. This information is Metro Credit Union's measure of its performance in relationships with its constituents: members, employees, the community, co-operatives and government.

On the basis of the procedures we have conducted, we are satisfied that the social audit report gives an accurate and balanced view of Metro Credit Union's social performance for the fiscal year ended March 31, 2000.

Ethics Matters Consulting
Rachel Martin, C.A.
July 21, 2000

Structure of this Report

The 2000 Social Audit Report includes content from two sources — the social auditor and the Metro Credit Union Social Audit Task Force.

The Metro Credit Union Social Audit Task Force wrote this Introductory Section, as well as introductions to each major section of the report. These introductions provide the reader with a helpful context and share the views of the Task Force on issues related to future social audits. The pages following each introductory section are the text of the social audit, as compiled and written by the social auditor. These pages have the audited data, facts and figures. The report concludes with a section outlining future issues for Metro Credit Union social audits, as well as specific recommendations for the next audit.

To help the reader quickly differentiate from Task Force commentary from the auditor's report, we have used two different page colours. The sections written by the Task Force are on lightly shaded pages and the auditor's report is on white pages.

The social auditor has also reviewed the Task Force commentary in this report to ensure that it does not contradict or misinterpret the audited information.

Note from Social Auditor:

While comparative information for 1998 has been presented wherever possible for the quantitative information in this report, it is difficult to present comparative information for descriptive information. Therefore, readers also are referred to the 1998 Metro Credit Union Social Audit Report.

There is some additional information in this report that was not presented in 1998. In a few cases, the information now is presented or measured differently and this will be apparent by the descriptions or explanations given.

About Metro Credit Union

Founded in 1949, Metro Credit Union is a full-service financial co-operative serving the Greater Toronto Area through a network of ten branches. The Credit Union provides banking services and other investment products, such as mutual funds, through licensed representatives of Credential Securities and Credential Asset Management Services.

The membership includes individual consumers and households, in addition to small businesses and community organizations.

	March 31, 2000	March 31, 1999
Total members*	39,195	37,214
Total assets**	\$396,293,493	\$368,022,722

* Those meeting the minimum \$5 Membership Share with active accounts. Unaudited data.

** From audited financial statements.

Commitment to Social Responsibility

The commitment to social responsibility is embedded in the Credit Union's operating philosophy and principles. On pages 4 and 5 are the Vision, Mission and Co-op Values Statements.

1999-2000 Social Audit Task Force

The 1999-2000 Social Audit Task Force was appointed by the Board of Directors. The Task Force mandate included recommending the social auditor for Board approval; assisting with development of the social audit process; and issuing the public report.

The members of the Task Force are Board members Penny Bethke, Linda McCormick and Jonathan Rudin (chair); member-volunteers Kit Chapman, Maggie Keith, Lynne Nagata and Walter Whiteley. Management support was provided by Larry Gordon, Vice President, Development, and Kerry Hadad, Director, Internal Audit and Quality Initiatives.

1999-2000 Social Auditor

Ethics Matters, a Halifax-based consulting firm specializing in corporate ethics, was hired by the Board, on the recommendation of the Task Force, to provide the social audit for the fiscal year April 1, 1999 to March 31, 2000. Ethics Matters also conducted the last social audit for the period April 1, 1998 to December 31, 1998.

Evolution of Social Auditing

Today's generally accepted accounting principles (GAAP), the foundation of modern accounting and financial auditing, evolved over a 200-year period. In contrast, the field of social and ethical accounting, auditing and reporting (SEAAR), is still in its infancy. While public interest in corporate accountability began to grow in the 1970s, attempts to develop a rigorous social performance methodology are much more recent.

Any institution undertaking a social performance assessment is immediately confronted with two fundamental issues. What should we measure? How should we measure it? These fundamental questions are still a point of debate among SEAAR practitioners. Having completed four social audits, Metro Credit Union is still evolving its methodology.

In 1993, Metro Credit Union carried out its first social audit, using in-house resources, without external verification of the findings. The staff and a Board committee developed a list of Credit Union social objectives derived explicitly or implicitly from prior Board policy decisions. The audit and report were organized around three stakeholder groups: members, employees and the general community. Credit Union staff measured and assessed the results. The Board then reviewed and approved the report which was subsequently made available to members and others.

In 1996, Metro Credit Union concluded its second social audit, after instituting a major change in methodology by hiring an external social auditor. The Board also appointed an arms-length Social Audit Task Force, comprised of two Board members and eight appointees from the membership. The nature of the report also changed. Rather than the focus on stakeholders, the report was organized around Credit Union performance in seven areas, such as workplace practices, democracy, community involvement and ethics.

The 1998 audit and report evolved once again. The Task Force and the auditor began by reviewing the key principles and policies of Metro Credit Union; the principles of the co-operative movement; and evolving public expectations in areas such as the

environment and workplace standards. From this review, the Task Force and the auditor determined what was to be measured and agreed upon specific objective performance measures (or indicators). The Task Force and the auditor also focused on developing a methodology and indicators that can be readily used from year to year, and a process for changing and improving the audit in coming years.

The 1999-2000 audit and report have largely followed the methodology applied in the 1998 audit, which now allows for presentation of reasonably comparable data for the two periods. As the audit process continues, readers will be able to review trends over the years in addition to performance data from a single year.

The 1999-2000 Social Audit Task Force believes we have taken another step forward in developing our social audit process at Metro Credit Union. The process will continue to evolve and improve with each audit.

Member feedback and comments would be both helpful and welcome as the process continues.

Metro Credit Union: Vision, Mission and Values



Vision Statement

Metro Credit Union will be the community financial institution our members want us to be.

Mission Statement

We support the co-operative way of business to provide economic and social benefits to our members. We will:

- grow by keeping our members' money safe and by providing them with useful services at reasonable prices;
- improve the economic position and quality of life of our members, our staff and community;
- respect employee rights, provide them with challenging work and promote their individual achievement;
- be a leader in the growth of the credit union system both in Ontario and Canada; and
- abide by the ICA Statement on the Co-operative Identity.

International Co-operative Association (ICA) Statement on the Co-operative Identity

Definition

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

Values

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

Principles

The co-operative principles are the guidelines by which co-operatives put their values into practice.

Co-operative Principles

1st Principle:

Voluntary and Open Membership

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.



2nd Principle:

Democratic Member Control

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote), and co-operatives at other levels are also organized in a democratic manner.

3rd Principle:

Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4th Principle:

Autonomy and Independence

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5th Principle:

Education, Training and Information

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of co-operation.

6th Principle:

Co-operation Among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional, and international structures.

7th Principle:

Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.

Section I: Members



The members of Metro Credit Union are both the owners and the customers of the enterprise. The social performance assessment considers both roles.

In terms of ownership, members exercise their governance rights through a democratic structure and process. As owners, members might also expect to call upon their Credit Union in times of need for special consideration.

As customers, members are directly affected by the retail business practices of the Credit Union. Metro Credit Union directs considerable resources to programs and policies related to nurturing and supporting the member-ownership role and to developing a very positive customer experience.

To address Credit Union social performance in relation to members, the 1999-2000 Social Audit examined performance indicators under the broad categories of

- 1) Democracy,
- 2) Progressive Consumer Policies, and
- 3) Responsiveness to Members in Need.

1. Democracy

Robert Dahl, a leading international authority on democracy, states that democratic governance requires:

- 1) effective participation,
- 2) equality in voting,
- 3) opportunities to gain enlightened understanding of the issues,
- 4) the ability to exercise final control over the agenda, and
- 5) inclusion of all adults.

The indicators and data in this section attempt to provide information related to these democracy criteria. Metro Credit Union has policies and programs designed to encourage a healthy democracy. Members are encouraged to learn about Credit Union issues, vote in Board elections, volunteer to serve on various policy and program-oriented task forces, and speak up and provide feedback on general and specific concerns.

At the same time, the performance data does not, in itself, tell us whether Metro Credit Union has a healthy democracy, as we are lacking:

- 1) meaningful industry comparisons,
- 2) multi-year history on trends at Metro Credit Union, and
- 3) a general consensus on what constitutes a “healthy democracy”.

In the future, we hope each of these issues can be addressed. If more credit unions undertake social audits, we will gain useful comparative data. Through our own social auditing, we will eventually see our own performance trends. On the last point, the Metro AGM in June 2000 featured an extensive member discussion and feedback session on strengthening democracy at Metro Credit Union. In the coming year, the Board will be reviewing this feedback and determining how to use it to move forward.

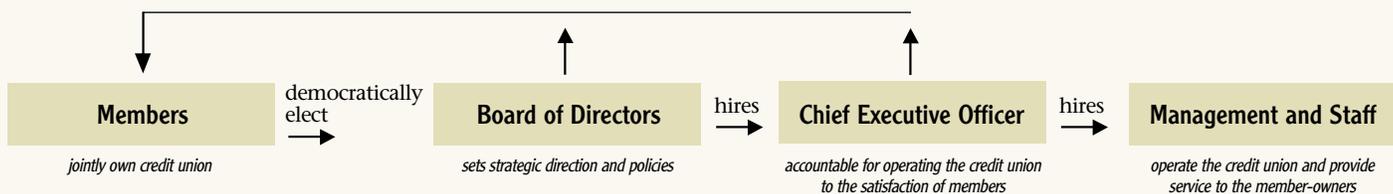
Annual General Meeting (AGM) Membership Attendance

as reported in AGM minutes

1994 AGM	559
1995 AGM	653
1996 AGM	620
1997 AGM	572
1998 Special Members Meeting	816
1999 AGM	923

Co-operative Ownership and Democratic Control

Board and CEO report to the members each year at the Annual General Meeting



Section I: Members

1.1 Member Participation

Metro Credit Union (MCU) is legally and philosophically a democratic organization. Democracy in action requires the participation of the members and their active support of the organization. MCU has taken the following steps to encourage active participation.

1.1.1 Publicity for Members' Meetings

In 1999, MCU had an Annual General Meeting (AGM) on June 21. This meeting was publicized by:

- notice in the January 1999 newsletter
- article in May newsletter
- brochure in April and May chequing statements
- same brochure posted in branches and at ATMs in May and June
- posters at branches, May and June
- web-site, May

After the AGM, articles were posted on the web-site on June 22 and 23, and the September newsletter included four articles on the AGM. These publicized the AGM as an annual event, and informed readers about the results of the 1999 AGM.

1.1.2 Attendance at Members' Meetings

Although MCU does count the number of members in attendance at the AGM, the 1999 records were no longer available for the social auditor to confirm the number. MCU plans to retain the records for future audits. Attendance at the 1999 AGM totaled 923, as recorded in the minutes of the meeting.

The Social Audit Task force has decided that branch affiliation information for AGM participants will not be collected in the future as it is no longer a good indicator of geographic distribution.

1.1.3 Publicity for Volunteer Activities

Volunteer opportunities were publicized by:

- posting information in the branches and on the web-site about openings on the Board Evaluation Committee; and
- publishing information on the Donations Committee and the availability of applications for the volunteer positions on the committee in the May 1999 Members' Newsletter

1.1.4 Support for Volunteer Activities

MCU incurred costs in 1999/2000 to support the Board of Directors and the volunteer task forces.

In addition to staff time directed to support these functions, which is not quantified at this time, direct expenditures were as follows.

See chart 1.1.4

1.1.5 Number of Volunteers

The actual numbers of volunteers at MCU in the fiscal year 1999/2000 were:

Number of Volunteers ¹		
	1999/ 2000	1998/ 1999
Member Participation Task Force	4	5
Mondex Task Force	4	3
Serving the Under-Served Task Force	3	5
Social Audit Task Force	4	4
Donations Committee	2	1
Board Evaluation Committee	3	not applicable
Board Accountability Task Force	not applicable	3
Total	20	21

¹excluding members of the Board of Directors who serve on task forces;

1.1.4

Expenditures in Support of Democratic Governance

	1999/2000		1998/1999	
	Total	Per Member	Total	Per Member
Board	\$85,000	\$2.02	\$78,000	\$1.89
Task Forces and Committees	\$ 2,000	\$.05	\$1,500	\$.04

Section I: Members

1.1.6 Member Education

The effective contribution of volunteers in governance is enhanced if the organization assists by providing information, education and training.

MCU has acted to educate its members through statement inserts, brochures, the Members' Newsletter and the web-site. MCU's newsletter is sent out three times yearly, to non-dormant members. MCU's current education and training programs targeted at the development of volunteers, focus on Board member development.

The purpose of the web-site is to communicate information about MCU, credit union organization, and democratic governance. Information on the number of members who have visited the non-banking part of the web-site is not available. However, we do know that the following items were available on the web-site over the year:

- Board Candidates Wanted (April, 2000)
- Gary Gillam Award Presented (March, 2000)
- Metro's Social Audit (December, 1999)
- Call for Nominations (December, 1999)
- Celebrating Co-op Week (October, 1999)
- Mel Lang to Chair Metro Board (December, 1999)
- Credit Union Sector Reform (June, 1999)
- Celebrating Success (June, 1999)
- Hotly Contested Election (May, 1999)
- Board Evaluation Committee (May, 1999)

MCU uses the web-site to describe itself, to explain that it is member owned, to note who is eligible to become a member, and to present 10 reasons for joining. The web-site also provides a variety of links to other organizations

within the national and international credit union movement including:

- Credit Union Central of Canada
- Credit Union Insurance Services
- Canadian Co-operative Association
- Co-operators
- World Council of Credit Unions

MCU has developed 'Our Rights & Responsibilities' a statement for the member-owners of this financial co-operative. Branches are supposed to post a copy of this statement.

There is also a Statement of Co-operative Principles that defines the essence of co-ops. Some branches also had this posted. Following is the summary of the branches' posting these documents.

BRANCH	STATEMENT OF MEMBERS' RIGHTS & RESPONSIBILITIES POSTED (change since 1998 indicated)	STATEMENT OF CO-OP PRINCIPLES POSTED (change since 1998 indicated)
Bolton	yes	no
Bramalea	no	no
College Street	yes	no
Danforth	yes	no
Lakeshore	yes	yes
Malton	yes (no - 1998)	yes (no - 1998)
Ryerson	yes	no
Scarborough	yes	no
Streetsville	yes	no
York Campus	yes	no

Branches closed in the fiscal year 1999/2000 are not included.

In addition to these direct education initiatives, MCU notices for volunteer participation on committees, task forces and the Board helped explain and reinforce the essence of co-operative and credit union forms of organization.

Section I: Members

1.1.7 Member Feedback

MCU encourages participation and feedback from its members by encouraging participation in governance. The following avenues are also available for members' comments and feedback:

- Member Action Forms that members can get at the branches and return by post or at a branch 'drop box';
- A Tele-Service Centre where trained staff receive members' calls, answer questions and solve problems;
- An email feedback link on the home banking web-site;
- An email feedback link at the Question & Answer section of the MCU web-site;
- The traditional avenue of correspondence to the Member Services Department;
- The traditional avenue of correspondence to the Chief Executive Officer (CEO) as well as the publication of his telephone number; and
- The traditional avenue of correspondence to the Board of Directors.

The following chart summarizes the current status of the systems and procedures in place to effectively process member feedback received through various channels.

See chart 1.1.7

The Tele-Service Centre, Member Action Forms and web-site feedback are summarized together by MCU. Correspondence to the CEO and Board

are also collected and summarized together. The following table presents the feedback recorded.

Topic of Feedback	ACTION FORMS, TELE-SERVICE CENTRE, REFERRALS FROM WEB-SITE & HOME-BANKING SITE		CEO/BOARD/MEMBER SERVICES	
	1999/2000 (12 months)	1998 (9 months)	1999/2000 (12 months)	1998 (9 months)
Automatic Teller Machine (ATM)	45	22	Data not supplied by category	not available
Point of sale payment	85	14		
Bill payment	40	11		
On-line banking	29	18		
Cheque orders	19	8		
Broken promises	162	42		
Members misinformed by staff	27	13		
CUIS Home or Auto Insurance	2	2		
Holds on accounts	4	4		
Statement renewal notices	55	15		
Postings to wrong account	40	13		
Service fees	20	16		
Pay	31	0		
Questions on 1-800 loan service	11	4		
Other	184	47		
Total Feedback	754	229	55	not available

1.1.7

	EFFECTIVE SYSTEM TO RECORD AND SUMMARIZE FEEDBACK		EFFECTIVE SYSTEM TO MEASURE AND ENSURE FOLLOW THROUGH	
	1999/2000	1998	1999/2000	1998
Member Action Forms	yes	no	yes	no
Tele-Service Centre	yes	yes	yes	yes
Communication with CEO & Board	yes	no	yes	no
Communication with Member Services Dept.	data not provided	no	data not provided	no
Home banking site email	yes	yes	yes	no
Web-site email	yes	no	yes	no

Section I: Members

1.1.8 Plain Language

The final area considered in effective member communication was the level of language complexity in key banking documents that members might have to read and sign. A number of MCU documents were selected to check using the Flesch-Kincaid Grade Level Score which applies a grade level from 1 to 12. This grade is based on the average number of syllables per word and the average number of words per sentence. For example, a document that scores Grade 12 is more difficult to read than one scoring Grade 8.

DOCUMENT	FLESCH-KINCAID GRADE LEVEL ¹
Share Certificates	
Class A	Grade 12.0
Class B	Grade 11.9
Web-site Pages	
10 reasons to join	Grade 10.0
AutoBuy	Grade 12.0
Car Facts	Grade 12.0
Community Loan Fund	Grade 11.4
Internet Site	Grade 10.8
Nest Egg	Grade 10.2
Spare Change	Grade 12.0
Bolton ATM announcement	Grade 8.5
Deposit Insurance increase notice	Grade 12.0
Home Banking User Agreement	Grade 12.0
Documents	
Variable Loan Agreement	Grade 12.0
Line of Credit Agreement – Standard	Grade 12.0
Mortgage Agreement – Standard	Grade 12.0
Multi-Option Mortgage Agreement	Grade 12.0
Mutual Fund Forms	Grade 12.0

¹ In 1999/2000 there were no changes in the grade levels of documents measured in 1998.

1.2 Democratic Governance

1.2.1. Board Election

MCU announced the search for Board candidates in several venues over the period March through June, 1999.

- In March and April, branch managers were asked to forward the names of possible candidates. MCU posted fliers in the branches from April to June.
- In May an article appeared in the newsletter regarding the four available positions on the Board, and encouraged members to run.
- Also in May, a letter went out to Board members asking them to encourage members to run for office.
- On May 11, the web-site posted information on the AGM and solicited candidates for the Board.
- Biographical information sheets on the candidates were circulated to pre-registrants in advance of the AGM, and also distributed at the AGM. An in-branch poster publicized a candidate information meeting scheduled for May 25. The May newsletter indicated that voting would take place at the AGM.
- In support of the 1999 Board candidates' campaigns, money, staff, and volunteer time were used. From March 31 through to the election, staff committed about 12 hours. Volunteers committed about 42 hours. The candidates' information meeting cost between \$300 and \$400.
- Eleven people ran for the four positions on the Board, resulting in a contested election.

Section I: Members

1.2.2 Board Turn-over

In the audit year 1999-2000 there were no new board members elected: those elected were all incumbents. However, five other members of the Board were in their first term of office. For most of the audit year there were 19 Board positions. Over the year this changed to 17 positions.

1.2.3 Composition and Diversity

Diversity provides multiple perspectives and a variety of representation is an asset to decision-making.

There are many ways individuals can bring differing perspectives to a group. Cultural background, population group, gender and profession are some indicators of diverse background.

See chart 1.2.3 a

- For the social audit, the following diversity indicators were measured by survey. Participation in the survey was optional. Surveys were given to Board candidates and to current Board members. Candidates were asked to provide information on their population group and ethnic or cultural origin according to categories used by Statistics Canada. Board members were asked to provide information on their gender, profession, population group and ethnic or cultural origin according to categories used by Statistics Canada. The Executive Committee of the Board of Directors is drawn from the membership of the Board, and has the power to carry on the general business of MCU between meetings. The five members of the executive committee received the same survey as other Board members.

- Six of the eleven candidates for board positions responded to the survey.
- Four of five executive board members responded to the survey.
- Eleven of fourteen board members responded to the survey.

The results shown below represent only those who chose to respond to these surveys.

The Social Audit Task Force has decided it will not collect data about ethnic or cultural origin in future audits.

See chart 1.2.3 b & 1.2.3 c



1.2.3 a

Gender	OF CANDIDATES FOR BOARD				OF BOARD MEMBERS				OF BOARD EXECUTIVE			
	1999/2000		1998 ¹		1999/2000		1998		1999/2000		1998	
	#	%	#	%	#	%	#	%	#	%	#	%
Men	10	91%	-	-	9	64%	13	62%	3	60%	5	63%
Women	1	9%	-	-	5	36%	8	38%	2	40%	3	37%

¹ Election not held in 1998 due to amalgamation.

1.2.3 b

MEMBERSHIP IN ONE OR MORE GROUPS AS SELF-SELECTED	Population Group (by Statistics Canada categories)					
	BY CANDIDATES FOR BOARD		BY BOARD MEMBERSHIP		BY BOARD EXECUTIVE ³	
	1999/2000	1998 ¹	1999/2000	1998	1999/2000	1998 ²
White (Caucasian)	6	-	11	15	4	-
All other examples of possible categories, as designated by Statistics Canada (1996 Census) include: Arab/West Asian, Black, Chinese, Inuit, Japanese, Korean, Latin American, Metis, North American Aboriginal, South Asian, Filipino, South East Asian, or any other groups as written in	NA	-	NA	NA	NA	-
No response	5		3	4	1	

¹ Data was not collected for the 1998 social audit as there was no election. ² Data was not collected in 1998.

Section I: Members

1.2.3 c

Ethnic or Cultural Origin (by Statistics Canada categories)

Note: respondents could choose more than one category

MEMBERSHIP IN ONE OR MORE GROUPS AS SELF-SELECTED	BY CANDIDATES FOR BOARD		BY BOARD MEMBERSHIP		BY BOARD EXECUTIVE ³	
	1999/2000	1998 ¹	1999/2000	1998	1999/2000	1998 ²
Canadian		-	3	9	1	-
Dutch				1		
English	2	-	6	5	2	-
French	1	-	1	2	1	-
German				2		
Irish	2	-	2	6	2	-
Jewish	2	-	1	1	1	-
Latvian			1			-
Northeastern European				1		
Polish	1	-				-
Scottish	2	-	2	4	1	-
Spanish	1	-	1		1	-
Welsh				1	1	
All other examples of possible categories, as designated by Statistics Canada (1996 Census) include: Chilean, Chinese, Cree, East Indian, Haitian, Inuit, Italian, Jamaican, Lebanese, Metis, Micmac, Portuguese, Somali, Ukrainian, Vietnamese, or any other groups as written in	NA	-	NA	NA	NA	-
No response	5		3	4	1	

¹ Data was not collected for the 1998 social audit as there was no election.

² Data was not collected in 1998.

³ The Board and Board Executive surveys were administered on a different date



Section I: Members

Profession (by Statistics Canada categories)

	BY BOARD MEMBERSHIP ¹		BY BOARD EXECUTIVE ¹	
	1999/2000	1998 ²	1999/2000	1998 ²
	#	#	#	#
Consultant	4	3	2	2
Homemaker or caregiver				
Independent businessperson		1		
Lawyer	1	1	1	
Management, public or Non-Governmental Organization (NGO)		5		3
Management, co-op sector	3	4	1	1
Management, private sector		1		1
Medical or healthcare professional				
Non-management staff, private sector				
Non-management staff, public or NGO				
Professional accountant	1			
Retired	2	3	1	1
Specialist in banking or financial services		1		1
Teacher or professor in public or private education (retired)	1	2		
No response	3	4	1	
Total	12	21	6	9

¹ There are more areas represented than the number of respondents because some board members were currently active in two or more areas.

² Data available from records rather than survey.



Note on 1998 and 1999/2000 Board Composition Surveys

As is evident from the text and charts, the Board composition data is incomplete in that some Board members were either not present when the surveys were completed, or had resigned from the Board prior to the survey, or chose not to complete a survey. In order to present a more complete overview, the following unaudited observational data is provided for those Board members who were serving immediately after the 1998 and 1999 Annual General Meetings.

Board Composition	July 1998	July 1999
Total directors	21	17
Gender		
men	13	10
women	8	7
Population Group (as per Statistics Canada categories)		
Caucasian/white	20	16
Black	1	1

Section I: Members

1.2.4 Conflict of Interest

It is important that the actions of a Board be in the interest of the organization as a whole. Board members cannot act in their own interest or the interest of a special interest group. One way a Board ensures that it acts for the organization is to have and uphold a conflict of interest policy.

The MCU definition of a direct conflict is any situation where:

- (a) (the volunteer's) personal interests, and/or*
- (b) the interests of a close friend, relative, business associate, corporation or partnership in which (the volunteer holds) a significant interest, or a person to whom (the volunteer owes) an obligation, which may prevent (the volunteer) from acting in the best interests of the Credit Union, on behalf of the Credit Union, impartially and without bias.*

The MCU definition of an indirect conflict is any situation where

- (a) a benefit may be derived by a close friend, relative, business associate, or corporation or partnership in which (the volunteer has) a significant interest; or*
- (b) a benefit may accrue to (the volunteer) which advances or protects (his or her) interests although it may not be measurable in money.*

The MCU conflict of interest policy applies to volunteers serving on the Board Committees and Task Forces. This policy includes specific guidance on actions that are prohibited. It also specifies what action is required when direct or indirect conflicts of interest occur. Generally, conflicts must be declared and the members must remove themselves from participation in related decisions.

There is no evidence that this policy was infringed. Board members are asked to declare conflicts at the beginning of each meeting and this is recorded in the minutes. Board members have excluded themselves from attendance at discussions where there was a conflict.

1.2.5 Board Education

The effective contribution of volunteers in governance is enhanced if the organization assists by providing information, education and training. MCU has several programs and policies which encourage its volunteers.

Board members can apply for support to attend conferences relevant to credit unions.

All members of the Board of Directors are encouraged to enroll in the credit union system's Credit Union

Director Achievement (CUDA) program. MCU pays the tuition for this program of fourteen courses, each several hours in duration. The following table reports the courses taken by the 16 directors for whom we have information at March, 2000.

See chart 1.2.5

1.2.5

Sponsored CUDA Board Education	1999/2000	1998
Number of Board members	16*	21
Number of courses completed in year	8	27
Accumulated courses of 1999/2000 Board members	114	129
Number of Board members who have completed program	1	3
Average number of completed courses	7	6

** There were 16 board members serving in January when this data was gathered.*

Section I: Members

2. Progressive Consumer Policies

In the traditional retail situation, the interest of the enterprise is generally to maximize sales to customers and profit for the external shareholders. While the law provides a framework for basic consumer protection, customers are still largely required and expected to bear full responsibility for protecting their own interests.

The Credit Union presents a different enterprise/customer dynamic, because the enterprise is consumer-owned and consumer-controlled for consumer benefit. While it is under market pressure to operate efficiently, competitively, and profitably, the Credit Union should be expected to institute and maintain consumer-friendly policies and programs because of its distinctive structure and mission.

In addition to a standard ethics policy and employee training on appropriate service and sales behaviour, Metro Credit Union has two other major consumer-oriented policies - related to pricing and privacy - which were a focus of this audit. Both are policy areas of increasing concern to consumers.

As the social audit process evolves, this is another area requiring further review and consideration. First, the topic of “consumer practices” can cover many areas of contact between the Credit Union and its member-customers. Second, performance measurement is difficult in some areas, particularly where the “performance” is part of a private conversation between sales/service employees and the member.

In the future, it would be appropriate to take a more comprehensive look at consumer-related practices. Specifically, the Credit Union may wish to set its own policies or follow voluntary industry standards or codes, and incorporate additional indicators in future social audits. Topics might include: advertising practices, sales practices, and plain language disclosure on products and pricing.

Metro Credit Union Fair Pricing Policy

Members should be able to trust the Credit Union to provide pricing in a fair and equitable manner.

- *Members will receive the same pricing and treatment for comparable banking relationships.*
- *Prices and qualifications for bonuses and discounts will be publicized to all who may qualify.*
- *Pricing bonuses are automatically provided to qualifying members, without request or negotiation.*
- *There are no hidden or discretionary prices or bonuses.*
- *Affinity group pricing benefits are available, as long as those within a specific affinity group are treated according to the fair pricing principles.*



Section I: Members

2.1 Fair Pricing

MCU is committed to fairness in pricing as indicated by its Fair Pricing Policy [see page 15]. This policy stipulates that any two members meeting the same criteria will pay or receive the same price for services. Further, members should not have to question staff about the best offer. Staff training should focus on delivering this promise.

2.1.1 Fair Pricing Awareness and Promotion

- The Owner's Guide notifies members about the policy and briefly describes it.
- An article in the January 2000 Members' Newsletter listed the essential elements of the Fair Pricing Policy of MCU.
- The web-site document "10 good reasons to join Metro Credit Union" includes the Fair Pricing Policy among its reasons.

2.1.2 Fair Pricing Audit

It is possible for the internal audit department to test for policy observance. From November, 1999, the Branch Audits included an audit of the Fair Pricing Policy. The social auditors assessed accurate application of the policy for the three branches audited by the department, for the month each was audited. This review of fifty-six loans offered to members found that the interest rates were higher than the Fair Pricing Policy would indicate in eleven cases, and interest rates were lower than the Fair Pricing Policy would indicate in two cases.

2.1.3 Fair Pricing Complaints

Complaints about possible violations of the Fair Pricing Policy could come through any of the normal feedback channels discussed earlier [see page 9]. There was no segregation of feedback specifically related to complaints about fair pricing. No specific complaints about fair pricing came to light in the review of feedback.

2.2 Right to Privacy

This is important for any organization that accesses and maintains sensitive information about people. In the case of a financial institution, this information includes financial and other personal information about members.

2.2.1 Privacy

- MCU has a confidentiality policy that stipulates that employees have the responsibility to maintain the security of information about members.
- MCU has a web-site document "User Agreement for MCU's Home Banking Site" that notifies members about Internet banking security, including:
 - email messages are not encrypted;
 - MCU cannot absolutely guarantee security; and
 - members have some responsibility for security, and these are described.
- During the year MCU initiated an audit by Deloitte & Touche of the security procedures and Internet perimeter security supplied by the provider of the MCU home banking site. The controls audited included the protection of members' accounts from unauthorized access. The audit found

that there was reasonable assurance that these controls were achieved.

2.2.2 Policy Awareness

- Over this audit period MCU did not take any steps to inform its membership of the existence or requirements of the current internal privacy guidelines. The web-site privacy information is brought to the attention of members as noted above.
- Employees acknowledge their responsibilities to ethics and confidentiality by signing a Code of Ethics which remains in their personnel file.

Section I: Members

3. Responsiveness to Members in Need

Owners should expect that the enterprise they own will be responsive to their needs. In most cases, these needs are met through standard day-to-day services. On occasion, however, members may find themselves in need of special consideration or assistance due to an unfortunate situation or external circumstance. In these situations, it should be expected that members can turn to their own co-operative enterprise for assistance.

When members are confronted with financially adverse situations, how does the Credit Union respond? Metro Credit Union has a specific policy to assist members affected by strikes and lock-outs. Members, however, can face financial difficulties for a whole host of other reasons, and the Credit Union should measure how well it responds to these cases of special need.

These were the two areas considered in this section of the social audit. Several other ways Metro Credit Union attempts to address people with special needs are covered in other sections of this report.

The issues identified and reviewed in this section are very specific, and do not necessarily reflect the only areas of member need where the Credit Union might provide assistance. Future consideration should be given to identifying other appropriate areas for review.

One of the defining criteria of a co-operative form of organization, is that it helps its members become more economically self-sufficient. The following are examples of ways MCU assists its membership.

3.1 Strike and Lock-Out Policy

- MCU has a Strike & Lock-Out Policy to assist members to meet financial commitments in the event of a strike or lock-out. A member can request that loan payments or lines of credit be adjusted to assist them through this period. MCU states that it will publicize the policy with the applicable unions when it is aware of a strike or lock-out. The policy is described on the MCU web-site where it was posted in summer, 1998.
- Notices of this policy are posted in the branches and staff are told about the policy. A newsletter article in January 2000 informed readers of the policy and indicated that when aware of a strike or lockout affecting a significant number of members, Metro Credit Union will contact the appropriate unions to help publicize the policy. Over the last audit period the Vice President, Member Services spoke with specific unions which have members who are also members of MCU. Fliers were made available to the unions to hand out to their membership.
- Over the last audit period three members asked for and received assistance under this policy, all from one branch.

3.2 Special Financial Assistance

- MCU has chequing account fee waivers for members who receive assistance through the Ontario Disability Support Program. This was publicized in the January 2000 newsletter. In this year, twenty-one members were receiving fee waivers.
- MCU also has a monthly installment program for the purchase of Membership Shares to allow members to make payments over time. Data was not available to measure use of this program.

3.3 Language and Service

- The Social Audit Task Force has decided that there will not be any measurement of language barriers or language preference of members in future social audits.

Section II: Employees

The Metro Credit Union operation is supported by approximately 170 full and part-time employees. The employees are also member-owners, but are precluded by the Ontario Credit Unions and Caisses Populaires Act from holding Board seats.

Given the time spent at work and their reliance on the Credit Union for income, employees have a more encompassing relationship with the Credit Union than other members-owners.

One employee - the Chief Executive Officer (CEO) - is hired directly by the Board. The CEO, in turn, hires the senior management team, who are responsible for hiring department and branch managers, and either directly or indirectly, all other employees. Together, the employees are responsible for delivering services to members, and carrying out all other functions and obligations of Metro Credit Union.

A review of Credit Union social performance, therefore, must address a number of issues related to employees and employment conditions. Like many other enterprises, the Credit Union has an extensive set of policies and programs related to employees and employment. Many fulfil regulatory or legal requirements and others relate more specifically to Metro Credit Union practices.

The social performance assessment focused mostly on areas of discretionary practices - that is, areas where Metro Credit Union has choices in how it relates to employees. The social performance indicators are covered under the broad categories of:

- 1) Compensation,
- 2) Work Environment, and
- 3) Employee Support.

4. Compensation

From an employee perspective, one of the most important elements in the relationship with the employer is the compensation program. How is the employee compensated for her/his time, energy and contribution to the operation? All parties would probably agree that the objective is to have a "fair and competitive" compensation program. Yet this is an area where opinions can vary greatly. Different employers, even within a common industry or market, may differ widely on their practices. Individual employees, even within a single enterprise, may have very different beliefs and expectations about appropriate compensation.

Given this context, the social performance assessment focused on salaries and benefits, pay equity and employment equity. The current assessment focuses only on internal data. In future audits, available comparative industry data will be added.

4.1 Salaries and Benefits

In addition to employment equity, fairness can be promoted in other ways. We accept in our culture that different levels of effort and skill justify different levels of compensation. And, while there is no general agreement in society on acceptable compensation ranges, there is recognition that extreme differences in compensation for different levels in an organization can become too great.

4.1.1 Remuneration

Following are several indicators of the range of remuneration at MCU:

See chart 4.1.1

4.1.1

RATIO OF AVERAGE TOTAL SALARIES AND BENEFITS USING NON-MGT. STAFF AS BASE		
	1999/2000	1998/1999
Non-management Staff	1	1
Management	1.6 times staff	1.6 times staff
Senior Management	2.8 times staff	2.8 times staff

Section II: Employees

4.1.2 Profit-Sharing

Metro Credit Union has profit sharing for all employees, excluding the senior management team who participate in a separate performance bonus program. Both full-time and part-time employees become eligible for profit-sharing by exceeding a benchmark grade on their performance evaluations. The amount of profit share per employee is set by the total profit achieved by MCU. There is a predetermined scale that defines the share of profit each employee can receive given the total profit of MCU.

67% of this profit share amount is awarded based on profit. The other 33% of the profit share is awarded if the organization achieves a social performance target. The objective was to sign-up at least 2000 members to the Spare Change Program and this was achieved. (Refer to Section 8.3 for information on the Spare Change Program).

In 1999/2000, all eligible employees received profit-sharing. This profit-sharing program, based on the 1998/1999 fiscal year results, gave each full-time employee \$750. This amount was pro-rated for part-time employees. The total distributed for profit sharing was \$95,970.

In 1998/1999, the prior fiscal year, all eligible employees also received profit sharing. This profit-sharing program, based on the 1997/1998 fiscal year results, gave each full-time employee \$785. This amount was pro-rated for part-time employees. The total profit sharing distributed was \$65,000.

4.1.3 Benefits

MCU offers a wide range of benefits to its employees that are 100% included in compensation. These are listed on the following page along with an indication of their availability to full-time and part-time staff at senior management, management and non-management staff levels. In addition there are benefits available for employees to purchase at cost.

See chart 4.1.3 on page 20

4.1.4 Pay Equity

MCU has a pay equity system in place. Each position was analysed based on its requirements in terms of education, experience and physical and mental skills. Pay ranges were assigned to each position with levels that allow for improved performance of the functions of each position. Employees filling these positions are evaluated on their performance of the requirements of the position. Employees' salaries should be within the range allowed for their position.

A review of the pay equity system shows that salaries of all employees are within the ranges defined by their job positions. The problem with one employee's salary identified in 1998 had been corrected. (In the 1998 audit, one employee received less than the bottom of the range for a position. Some employees were above their position ranges - the latter largely because of salary increases that preceded the implementation of the equity program.)

4.2 Employment Equity

A measure of the fairness of treatment of employees is an organization's commitment to employment equity.

Unfortunately it was not possible to measure the extent equity is achieved along lines of gender and population group or ethnic/cultural identity. To do so requires that each employee file identify these attributes. Only if this information is available can a social audit report on the fairness of hiring, promotions and departures.

As part of the 1998 social audit, employees were surveyed on their willingness to supply this information voluntarily for future use. Of those who responded to this question, 38% said they would provide this information, 33% said they would not, and 29% were unsure. Based on these results, MCU has decided it can only report equity achieved based on gender. It will begin to report hiring, promotions and departures by gender group in future audits.

Section II: Employees

4.1.3

Benefit	Staff Part-Time	Staff Full-Time	Management Full-Time	Senior Management Full-Time
Mortgage discount	✓	✓	✓	✓
Line of credit or loan discount	✓	✓	✓	✓
Home equity line of credit discount	✓	✓	✓	✓
Free financial services except safety deposit box rentals, manual bill payment, ATM Interac (except for location that have an ATM)	✓	✓	✓	✓
Staff rate on foreign exchange	✓	✓	✓	✓
1/4% bonus on term deposit rates	✓	✓	✓	✓
75% top-up on maternity and parental leaves	✓	✓	✓	✓
Earned deferred leave	✓	✓	✓	✓
Employee Assistance Program	✓	✓	✓	✓
Business related training and education benefit	✓	✓	✓	✓
Senior management vacation: 1 to 9 years = 4 weeks Earns 1 additional day for every year after 9 yrs. Maximum of 6 weeks.	X	X	X	✓
Full-time management and staff vacation: 1 to 5 years = 3 weeks 6 to 15 years = 4 weeks Earns 1 additional day for every year after 15 yrs. Maximum of 6 weeks.	X	✓	✓	X
Part-time staff vacation paid as a % of salary	✓	X	X	X
Flexible perquisite - 5% of gross salary (not applicable to CEO)	X	X	X	✓
Bonuses including	✓ Calculated and paid in proportion to hrs worked.	✓ May be paid in lieu of raise for staff at maximum salary.	✓ May be paid in lieu of raise for staff at maximum salary.	✓ 5 - 20% of salary with no profit.
Employee profit share	✓ Calculated and paid in proportion to hrs worked.	✓	✓	X
Semi-private hospital room	✓ Employee pays portion of premium	✓	✓	✓
Medical plan including prescriptions, vision and dental	✓ Employee pays portion of premium	✓	✓	✓
Benefits extended to common-law and same gender	✓ Employee pays portion of premium	✓	✓	✓
Group life insurance at 3 times annual salary	✓ Employee pays portion of premium	✓	✓	✓
Travel accident insurance	✓ Employee pays portion of premium	✓	✓	✓
Pension plan contributions mandatory at age 35 – employee contributes 5% of gross salary and Metro contributes 7.5%	✓ after 2 years service for those who work a minimum of 30 hrs bi-weekly	✓	✓	✓
2 floating days	X	✓	✓	✓
Non cumulative paid sick leave	✓ 5 days	✓ 10 days	✓ 10 days	✓ 10 days
Attendance bonus exclusive of floating days	✓ \$60	✓ \$125	✓ \$125	✓ \$125
Bereavement days	✓ 2 days	✓ 3 days	✓ 3 days	✓ 3 days
Long Term Disability (LTD) insurance (employee paid)*	✓	✓	✓	✓
Optional additional life insurance available for purchase (employee paid)	✓	✓	✓	✓
Optional additional dependents' insurance available for purchase (employee paid)	✓	✓	✓	✓

* If the Credit Union paid the LTD premium, any benefit the employee would receive would be taxable and taxes would be deducted when the benefit is paid. Because employees pay their own LTD premium, the benefit is non-taxable and employees receive the full benefit without tax deductions. When the Credit Union switched to employee-paid LTD, everyone's salary was increased an equivalent amount so the cost in the first year was covered by the Credit Union.

Section II: Employees

5. Work Environment

Most employees spend a minimum of 35 hours each week in the workplace. The physical work environment can play a critical role in workplace efficiency, employment satisfaction and overall quality of life.

Performance measurement in this area focused on:

- 1) the work of the Health and Safety Committee,
- 2) physical safety and psychological support related to robberies,
- 3) amount of employee illness, and
- 4) ergonomics, or how well the physical workplace is designed.

5.1 Health and Safety

The provision of a healthy and safe working environment is a necessary feature of Metro's commitment to social responsibility.

5.1.1 Health and Safety Committee

There were no formal meetings of the Health and Safety Committee in this audit period. However, meetings have been held after the audit period on April 18 and May 9, 2000. The first meeting formally established the mission statement and responsibilities for the committee, staff and management regarding health and safety.

5.1.2 Robbery Procedures

An unfortunate reality of the banking industry is that it sometimes attracts thieves. MCU has done extensive work on staff preparation for bank robberies. There are written protocols that emphasize the precedence of safety. New facilities and renovations are designed to discourage robberies.

In 1999, there was a robbery at one branch. The practices following a robbery include: debriefing the employees in the branch, offering counseling opportunities to those directly involved in the robbery, and reviewing robbery procedures and making changes as deemed appropriate. These practices were followed and no requests for changes in robbery procedures were made. Robbery procedures are reviewed with branch staff on a quarterly basis.

5.1.3 Employee Absence

One indicator of a healthy and safe work environment is the level of illness and absent days in an organization. At MCU, there is no distinction made between absence for illness or other reasons except vacation. Records for the fiscal year 1999/2000 show:

See chart 5.1.3

5.1.3

ABSENT OR ILL	% OF PAID DAYS IN THE PERIOD	
	1999/2000 (12 Months)	1998/1999 (9 Months)
Non-management Staff	1.4%	.4%
Management	0.4%	.5%
Senior Management	1.1%	.4%

5.1.4 Ergonomics

Data on ergonomics was previously measured by a survey of employees in 1998. The Social Audit Task Force will consider how to measure and present this information in future.

Section II: Employees

6. Employee Support

Progressive employers provide ongoing support for employee development, particularly in the form of educational programs and training. Another form of support that employees require is a clear means for resolving workplace problems and disagreements.

The social audit focuses on these two areas:

- 1) staff training and education, and
- 2) both formal and informal problem resolution.

In future audits, it is intended to provide comparable data on employee training support in other credit unions and within the industry.

The Credit Union policy on mergers and acquisitions states that employment preservation is a priority in those circumstances. While the Credit Union has not laid off staff as a result of mergers and acquisitions, this policy should be included in future audits. In addition, information should be collected on whether any other institutions within the industry have a comparable policy.

6.1 Education and Training

A staff development program encourages individual growth and the growth of the organization. In the credit union movement, additional development is needed for staff to realize the unique attributes of being a credit union organization and to enhance their ability to contribute to its growth.

- MCU allows business-related training for all staff. A policy change since the last social audit now provides for both short-term courses and major expenditures, such as executive MBA programs. The company pays the fee for an accepted program at the time of enrolment. If an employee is not successful, reimbursement is expected. In addition, MCU has in-house seminars for developing various skills.
- There were no seminars focused specifically on the unique characteristics of the credit union or co-operative movements.
- The amount spent by MCU on staff education and training during fiscal 1999/2000 was \$155,000 (fiscal 1998/1999 - \$180,000). The range of training reimbursed is from single courses to MBA tuition. This represented out-of-pocket expenditures for training, and did not include staff resources used to organize or conduct training, or the cost of staff time when they were training.
- The amount spent by MCU on staff education and training during fiscal 1999/2000 represents an average expenditure per employee (measured as the number of full-time equivalent positions) of about \$950 (fiscal 1998/1999 - \$1200).

6.2 Employee Recourse

The ability of employees to voice valid concerns and complaints in a formal process without reprisal is important in ensuring the integrity of an organization.

6.2.1 Whistle-Blowing Policy

A whistle-blowing policy is a policy specifically designed to allow employees, without reprisal, to report any actions that are detrimental or that they perceive to be detrimental to the members, the credit union or contrary to the policies governing the credit union. At this time, MCU has drafted a whistle-blowing policy for inclusion in its Personnel Manual. Once this policy is finalized and approved, it will be important to confirm that employees are aware of it and feel able to use it, if required.

6.2.2 Grievances

A grievance policy sets out a procedure that allows an employee to bring forward concerns about his or her treatment by the organization. MCU does have a formal Grievance Procedure printed in the Employee Personnel Manual. It lays out the procedure for submitting a grievance and time lines for its resolution.

6.2.3 Complaint Resolution

MCU did not have any formal grievances submitted in the 1999/2000 fiscal period (9 months of 1998 - 0).

Section III: The Community



Metro Credit Union presents itself as a community credit union and an alternative to the banks. But what does Metro Credit Union mean by “community”?

“Members” and “employees” are very clearly defined groups. As the social audit process evolves, the definition of “the community” will need further refinement. To some extent, the answer will come as the Credit Union continues to refine its vision, mission and strategic direction.

For the purpose of the current social performance assessment, the indicators are grouped in the following subject headings:

- 1) Serving the Community,
- 2) Community Social and Economic Development, and
- 3) Responsible Investment.

7. Serving the Community

As noted above, Metro Credit Union has not categorically defined what communities or groups it wishes to serve.

From past policy decisions, discussions and practices, it can be determined that there has been concern about being accessible to physically challenged members. Also, the Credit Union has yet to determine whether it can or should serve the large immigrant and ethnic communities in the Greater Toronto Area that are not being well-served by other financial institutions.

(Groups with specific social/economic disadvantages are covered in the next section.)



Given the limitations noted in the introduction, the 1998 social performance assessment considered two specific groups:

- 1) access for the physically challenged, and
- 2) the variety of ethnic/cultural and population groups within the membership.

The latter issue was addressed in the 1998 audit by asking members through a confidential survey if in the future they would be comfortable providing information on population group (race) and ethnicity to allow the Credit Union to help determine how well it is serving these communities in the Greater Toronto Area. While future member surveys may pose a question about population group along with other demographic information to allow comparison with general census data, the Task Force will not be asking about ethnicity, as the comparative census data is not considered reliable by many experts.

Section III: The Community

7.1 Accessibility

MCU wants to meet the credit union mission of openness to all who wish to join. The following chart summarizes physical access for those with disabilities:

7.2 Population Group and Ethnicity

If MCU could show that its members reflect the community, this would be another way to measure its success at openness. This would involve comparing demographic characteristics of MCU membership with the same

characteristics of the Greater Toronto Area. For the 1998 Social Audit, members were asked by a Member Survey whether they would be willing to supply this information in the future. Specifically, they were asked to indicate whether they would provide, if asked, their population group and ethnic or cultural origin using the categories designated by Statistics Canada. Results of this survey were reported in the 1998 Social Audit Report.

7.1

Friendliness of Access for Those with Disabilities ¹ (changes since 1998 indicated)							
BRANCH	PARKING ²	DOORS ³	ACCESS ⁴	WHEEL CHAIR SPACE ⁵	WHEEL CHAIR: COUNTER ⁶	WHEEL CHAIR: ATM ⁷	SIGHT IMPAIRED: ATM ⁸
Bolton	√	x	x	√	√	x	x
Bramalea	√	√ (1998 - x)	√ (1998 - x)	√	√	√ (1998 - x)	√ (1998 - x)
College Street	√	√	x ⁹	√	√	√	√ (1998 - x)
Danforth	√	√	√	√	√	√	√
Lakeshore	√	√	√	√	√	√	√
Malton	√	√ (1998 - x)	x	√	√	x	√ (1998 - x)
Ryerson	√	√	√	√	√	√	√
Scarborough	√	√ (1998 - x)	√	√	√	√	√
Streetsville	√	x	√	√	√	x ¹⁰	√ (1998 - x)
York Campus	√	√	√	√	√	x ¹⁰	√

¹ Branches closed in 1999/2000 are not included.

² Parking – branch is either close to parking or accessible public transport.

³ Doors that have automatic opening devices or are open when the branch is, as is the case for branches in malls.

⁴ Entrance to branch and branch site is either flat, has a useful ramp or an elevator.

⁵ Space in branch to maneuver a wheelchair.

⁶ Access to service at a desk or counter usable by a wheelchair.

⁷ Wheelchair accessible Automatic Teller Machine.

⁸ Sight impaired controls on Automatic Teller Machine; further by May 2000 all ATMs had Braille decals.

⁹ The Commercial Loan Department is upstairs.

¹⁰ Please note these were reported incorrectly in the 1998 social audit.

Section III: The Community

8. Community Social & Economic Development

Metro Credit Union has demonstrated for many years its commitment to supporting the economic and social development of the communities it serves. The type of contribution that Metro makes is sometimes described as community economic development (CED). CED is the mobilization of local community resources, through community-based institutions, to contribute to the social and economic development of the community, with a particular focus on those in most need. As an institution that recycles community capital resources, Metro Credit Union itself is an example of a CED enterprise.

Metro Credit Union also has a long-standing commitment to help those who are socially and economically disadvantaged. This has led to a number of initiatives, particularly in the direct and indirect support of community loan funds, as well as other less formal programs and practices to provide assistance. In most cases, however, the programs and policies have not had significant impact in the community. The possible exception may be the community donations program to which the Credit Union directs 2% of pre-tax profits, which exceeds the 1% minimum standard set by the Imagine Campaign for corporate giving.

The current performance assessment focused on a number of areas where it is currently possible to measure contributions:

- 1) lending,
- 2) special programs, and
- 3) donations.

As this audit report is being prepared, Metro Credit Union has committed to two new CED programs. In July 2000, the Calmeadow Foundation will transfer ownership and management of the Metrofund to Metro Credit Union. The Credit Union also plans to launch its Community Banking Program in Fall 2000. This program will be operated as a partnership with a Toronto community services agency to provide basic banking services to disadvantaged individuals. Indicators will have to be established for both programs to determine if they are meeting their goals.



Section III: The Community

8.1 Loans

8.1.1 Loans to Assets

The monthly loan portfolio as a percentage of MCU assets was:

8.1.1

	LOANS TO MEMBERS AS % OF ASSETS	
	1999/2000	1998/1999
April	86	88
May	87	88
June	88	87
July	87	88
August	88	88
September	87	88
October	88	88
November	88	87
December	88	86
January	88	NA
February	88	NA
March	87	NA

8.1.2 Micro-Enterprise and Small Business Loans

New Micro-Business and Small Business Loans From April 1, 1999 to March 31, 2000

See charts 8.1.2 a and 8.1.2 b

For future social audits MCU intends to report these loan statistics in total only and not by branch.

8.1.2 a

MICRO LOANS: UPTO \$10,000						
BRANCH	1999/2000			1998 (9 months)		
	#	\$	NEW LOAN \$ AS A % OF ALL NEW COMMERCIAL LOANS	#	\$	NEW LOAN \$ AS A % OF ALL NEW COMMERCIAL LOANS
Bolton	3	11,500	1%	0	0	0%
Bramalea	6	42,000	4%	0	0	0%
College Street	17	88,500	1%	11	71,000	1%
Danforth	8	42,700	4%	2	6,000	1%
Lakeshore	3	25,000	8%	0	0	0%
Malton	1	10,000	2%	0	0	0%
Ryerson	1	3,000	1%	1	5,000	1%
Scarborough	8	43,000	2%	1	2,000	1%
Streetsville	1	8,000	100%	1	8,500	38%
York Campus	0	0	0%	0	0	No new lending
Total	48	273,700	1.2%	16	92,500	1.0%

8.1.2 b

SMALL BUSINESS LOANS: \$10,001-\$50,000						
BRANCH	1999/2000			1998 (9 months)		
	#	\$	NEW LOAN \$ AS A % OF ALL NEW COMMERCIAL LOANS	#	\$	NEW LOAN \$ AS A % OF ALL NEW COMMERCIAL LOANS
Bolton	2	40,000	4%	1	20,000	100%
Bramalea	3	80,000	8%	1	35,000	100%
College Street	24	677,500	6%	12	327,750	4%
Danforth	10	291,500	28%	2	39,200	5%
Lakeshore	3	45,000	14%	2	61,000	24%
Malton	6	109,267	17%	1	20,000	100%
Ryerson	1	50,000	18%	5	120,000	19%
Scarborough	5	120,000	6%	3	130,000	70%
Streetsville	0	0	0%	1	14,000	62%
York Campus	0	0	0%	0	0	No new lending
Total	54	1,413,267	6.2%	28	766,950	8.2%

Section III: The Community

8.2 Banking for Non-Profits

MCU also has many non-profit organizations that use the Credit Union's chequing, savings, investing and borrowing facilities. The number of total active organizational memberships (regardless of Membership Share balance) are shown for 2000.

See chart 8.2

8.2

BRANCH	ACTIVE NON-PROFIT ORGANIZATION ACCOUNTS* April 30, 2000
Bolton	24
Bramalea	12
College Street	389
Danforth	51
Lakeshore	19
Malton	33
Ryerson	57
Scarborough	56
Streetsville	7
York Campus	99
Total	747

* 1998 comparatives are not available as the reported figures included inactive as well as active accounts.

8.3 Community Economic Development (CED) and Community Involvement

Contributions to community economic development and community involvement in both dollars and staff time are a goal of MCU. During this year, staff from all branches and head office contributed approximately 1000 hours (both corporate and personal time) to MCU community service and CED projects and programs. Projects ranged from fund raising for charities to serving on boards and committees, to cleaning up a local park.

MCU is in discussions with the Calmeadow Foundation to partner with them to administer the Metrofund micro-enterprise loan fund. These loans of \$5000 and under are a catalyst in community economic development.

During the year, MCU worked with its stakeholders to contribute to the Hospital for Sick Children by producing a Calendar of Children's Artwork. The Calendar was sold for "donations." A total of \$3029 was collected and donated to the hospital.

During the year MCU launched its Spare Change program. Each month members in this program automatically have the "spare change" in their accounts removed, by rounding the balance down to the nearest dollar, and moving the cents to a donation account. The member can choose between three donation pools: homelessness, environment or children's needs. MCU spent \$14,000 setting up this program. By the end of March 31, 2000, 2082 members had enrolled and \$7000 was raised.

8.4 Donations

Charitable donations are another way MCU contributes to the community. The corporate donations policy sets the donations budget at 2% of pre-tax profits of the preceding fiscal year. Pre-tax profits are earnings after member dividends and before taxes.

In the fiscal year ended March 2000, donations totaled \$33,000. This is 2.1% of earnings before taxes of the preceding year. (Restated 1998 donations as a percentage of pre-tax earnings from the preceding year – \$41,000; 2.9%).

Section III: The Community

9. Socially Responsible Investment

Metro Credit Union has an extensive history of promoting the concept of socially responsible investment: making investment decisions with consideration to both financial and social impacts.

The Credit Union has its own social investment policy for corporate investments, and is one of the leading retail centres in Ontario for the sale of socially screened mutual funds.

The performance assessment this year focused solely on the application of the Credit Union's own social investment policy.

In the future, the audit should examine the Metro Credit Union performance as a retail and education centre for socially responsible investment.

MCU's Investment Policy includes the following:

The credit union will not invest in financial assets of corporations that, either in Canada, or abroad:

- (i) engage in environmentally destructive practices;*
- (ii) engage in the manufacture or sale of military armaments;*
- (iii) engage in production or wholesale sales of tobacco products;*
- (iv) practice or encourage poor or inferior labour relations;*
- (v) practice or encourage poor or inferior human rights standards;*
- (vi) practice or encourage poor or inferior aboriginal relations.*

The above policy includes the investment of funds held to meet the liquidity requirements of the organization. The policy was changed in 1999 to specify that it is investment in 'financial assets' that is covered, rather than simply 'corporations'.

In the fiscal year ended March 31, 2000 these investments, in addition to being with Credit Union Central of Ontario (CUCO), provincial governments and the federal Canadian government, were placed with:

- Ford Credit
- General Motors
- General Electric
- First Bank
- CIBC
- Royal Bank of Canada
- Scotia McLeod

(In 1998, investments were in CUCO, Canadian federal and provincial governments.)

The practice for judging whether an investment meets the policy criteria is that the Chief Financial Officer (CFO) has made the MCU investment advisors aware of the policy and the CFO judges each investment as it is made.

There is no formal screening process in place and in the absence of such a policy, it is difficult for the social auditor to determine if investments meet the standards of MCU. This is particularly relevant with the change in the liquidity policy that now allows MCU to invest up to 20% of its financial assets in commercial corporations.

Investments that are in the form of loans and mortgages to members are not covered by this policy.

Section IV: Other Groups

To a lesser degree than with members, employees and the community, Metro Credit Union has relations with other groups which require consideration. The Board and management of Metro have often played an active role in the credit union and co-op movements. The Credit Union also interacts on a daily basis with dozens of major and minor suppliers of products and services. The Credit Union is occasionally required to interact with government and regulatory officials, regarding the affairs of Metro Credit Union or matters affecting the broader credit union system.

The current assessment provides a brief overview of certain activities in relation to these groups. The Task Force and the auditor concluded that these areas of assessment, while important, are not priority areas in the coming years.

The development and implementation of new policies, however, may provide a better means to focus our social performance assessment with these groups in future years. For example, the Credit Union recently developed a Responsible Purchasing Policy, which will provide a means of assessment related to suppliers in future audits.

10. Credit Union & Co-op Movement

MCU has a commitment to strengthening the credit union and co-operative movements. It is also committed to co-operation with its fellow credit unions and co-operatives. Following are activities undertaken during the fiscal year ended March 31, 2000 that were targeted to meet one or both of these objectives.

During the audit period MCU's activities to strengthen the movement included:

- Supporting Credit Union Central of Ontario (CUCO) in the successful lobby to increase the deposit insurance limit to \$100,000 and providing consultation to the Deposit Insurance Corporation on communicating this change.
- Successfully lobbying, along with CUCO, to have the Financial Insurance Commission assessment reduced for credit unions.

MCU also participated in the following ways to demonstrate its commitment to the movement:

- Delivering a presentation on regulatory capital issues at the CUCO annual meeting.
- Organizing the CEOs' roundtable for Ontario credit unions.
- Participating in the semi-annual Co-op Funders Forum.
- Delivering presentations at two national credit union conferences on operational issues that credit unions face during mergers.
- Successfully working with the Contact Group of Credit Unions to expand the Auto Buy service to a broader group of Toronto area credit unions.

- Working with CS Co-op and developing joint initiatives.
- Working with the Co-op Housing Federation of Toronto (CHFT) on several initiatives including:
 - a banking program for housing co-operatives (CHIP program);
 - a Principle 6 Program to help individuals in housing co-ops (which was later cancelled);
 - a Principle 65 Program regarding a group RRSP program for housing co-op staff; and
 - through its donations program, MCU has donated to projects supported by CHFT.

Evidence of activity to meet both these objectives was MCU's participation in the exploration of the development of a national financial co-operative institution. The MCU contribution included:

- Along with other credit union CEOs, meeting representatives of the provincial government on the development of legislation that would be required;
- Lobbying government for national legislation for the establishment of a national financial co-operative institution;
- Taking a lead role in developing a handbook on governance issues and corporate social responsibility position papers for the proposed national financial co-operative institution.

11. Suppliers

MCU cannot dictate social responsibility to its suppliers, but there are steps it can take to encourage suppliers to participate in the MCU vision. It can also give preference to suppliers that meet MCU expectations in the area of social responsibility.

During the fiscal year ended March 31, 2000, MCU adopted a purchasing policy. The organization intends to develop measures for inclusion in future social audits for those sections of the policy relating to socially responsible purchasing.

MCU promotes financial services of other co-operative or social investment organizations including The Co-operators, Ethical Funds, Credential Securities and Co-operative Trust. Through its membership in CUCO, MCU receives services from other credit union organizations. These organizations include Credit Union Electronic Transaction Services (CUETS), Credit Union Central of Canada (CUECC) and Credit Union Member Insurance Services (CUMIS). Some of these associations are, in turn, the suppliers of the above mentioned financial services. To date, none of these suppliers or affiliated organizations has completed social audits. If they are conducted, MCU will notify members of their availability.

12. Government

One of the principles of co-operatives is to advance democratic principles. As a co-operative organization, MCU can contribute by participating in the workings of democracy, for example by responding to government requests for consultation and information. This year, MCU, collectively with the Credit Union CEOs' Roundtable, maintained contact with the Province in the event it chooses to pursue the privatization of Province of Ontario Savings Office.

As an organization, it can initiate communication with government on:

- 1) policy issues related to the credit union or co-operative movement, or
- 2) the broader mandate of foundational international co-operative principles to serve the under-served of the community.

In this year, MCU was involved in several endeavors related to credit union policy:

- With CUCO, MCU successfully lobbied the Deposit Insurance Corporation of Ontario, a regulatory body for credit unions, to increase the deposit insurance limit for members from \$60,000 to \$100,000.

- The CEOs' Roundtable Group worked together on the successful lobby to have the Financial Insurance Commission assessment reduced for credit unions.
- In conjunction with other credit unions, MCU met with provincial and federal governments to discuss legislation that would have been necessary had the idea of a national community financial institution received approval from the credit union movement.





Section V: The Environment

All individuals, organizations and businesses need to be alert to how their actions and operations affect the natural environment. Regarding internal operations, the Credit Union has an environmental impact through consumption, use and disposal of resources. As a financial institution, the Credit Union can play an indirect role by determining if it will provide services to other businesses or institutions engaged in environmentally destructive or inappropriate practices. As a purchaser of goods and services, the Credit Union can play a role by purchasing environmentally appropriate alternatives, when possible.

At this time, Metro Credit Union has relatively few formal environmental policies, programs or standards in place. In order to focus environmental performance assessments in the future, it would be appropriate for the Credit Union to consider its objectives in terms of environmental practices and set policies and standards where necessary.

The current performance assessment only addressed the issue of resource use, specifically the consumption of gas, electricity and certain paper products.

13. Resource Use

As a measure of its effect on the environment and attempts to improve environmental responsibility, MCU will track its consumption of major energy uses and paper consumption. These are two items recommended for reporting by the Coalition for Environmentally Responsible Economies (CERES).

See chart 13. a

Three major paper products had been selected by the Social Audit Task Force for measurement: marketing material, newsletters and bond paper.

Consumption from
April 1, 1999 to March 31, 2000

See chart 13. b

13. a

CONSUMPTION PER SQUARE FOOT FOR APRIL 1999 TO MARCH 2000

LOCATION OF OFFICES, BRANCHES OR SUB-BRANCHES ¹	GAS \$		ELECTRICITY \$		COMBINED UTILITY USAGES \$	
	2000 (12 months)	1998 (9 months)	2000 (12 months)	1998 (9 months)	2000 (12 months)	1998 (9 months)
Bolton	.626	.416	1.654	1.244	2.280	1.660
Bramalea	.159	.083	2.615	1.778	2.774	1.861
Brown's Line	.215	.147	1.694	1.235	1.909	1.381
College Street	Gas not used		3.205	2.023	3.205	2.023
Danforth	Gas not used		4.193	3.208	4.193	3.208
Lakeshore	.298	.158 (6 months)	1.579	.514 (6 months)	1.878	.672
Malton	.337	.092	1.454	1.123	1.791	1.215
Ryerson	Leased/not available		Leased/not available			
Scarborough	.465	.167	3.157	2.357	3.621	2.524
Streetsville	.279	.138	1.761	1.326	2.040	1.463
York Campus	Leased/not available		Leased/not available			
Dehavilland	Leased/not available		Leased/not available			
Litton	Leased/not available		Leased/not available			
County Court	Leased/not available		Leased/not available			

¹ It was not possible to obtain this information for locations where space is leased as the utility charges are included in the rent.

13. b

CONSUMPTION FOR APRIL 1999 TO MARCH 2000

	MARKETING MATERIALS		MEMBERS' NEWSLETTERS		BOND PAPER MEMBER STATEMENTS	
	2000 (12 months)	1998 (9 months)	2000 (12 months)	1998 (9 months)	2000 (12 months)	1998 (9 months)
Total Weight	7040 kg.	Not an indicator	5636 kg.	6570 kg.	Data not provided	Data not provided
Weight Per Member	.17 kg.	Not an indicator	.13 kg.	.15 kg.	Data not provided	Data not provided

Section VI:

Social Audit Communications

As noted in the introduction to this report, the practice of social auditing is new and evolving. In order to further develop this methodology, it is necessary to publicize and promote social auditing to as many appropriate audiences as possible.

Metro Credit Union tries to play a leadership role in this regard. To our knowledge, we were the first Canadian financial institution to publish a social audit report in 1993. Likewise, in 1996, we became the first Canadian financial institution to carry out and publish an externally verified social audit of our operation.

In 1999, Metro Credit Union and VanCity Savings, Canada's largest credit union, jointly hosted a meeting of Canadian credit union representatives to discuss development of common guidelines and standards for credit union social audits. A project to develop a credit union social audit handbook is now underway.

For these reasons, the Metro Credit Union social performance assessment includes the following section, with a review and assessment of the steps the Credit Union has taken to publicize and advance the use of social audits.

The 2000 Social Audit is the fourth social audit by MCU. The results of previous social audit were published in the 1998 Social Audit Report. MCU distributed and publicized the report, inviting feedback from readers and recipients.

To Members

The 1998 Social Audit Report was available in branches and on the web-site. Members were notified of this by:

- A notice on the web-site soon after the report's publication
- Posters in branches
- An article in the January 2000 Members' Newsletter

To Credit Unions and Cooperatives

- Soon after its publication, the 1998 Social Audit Report was mailed to 23 credit union and cooperative associations.

To The Community

- Soon after its publication, the 1998 Social Audit Report was mailed to 29 organizations including media outlets, community groups, public interest groups, faculty associations and labour groups.

To Suppliers

- The Social Audit Report was mailed to three major suppliers of financial services.

To Government

The 1998 Social Audit Report was mailed to the:

- Ontario Director of Credit Unions
- President of Deposit Insurance Corporation of Ontario
- Members of Parliament from the Greater Toronto Area
- Members of the Provincial Parliament from the Greater Toronto Area
- Mayors of the Greater Toronto Area and City Councilors of the City of Toronto

Section VII:

Final Comments & Future Directions



While this is Metro Credit Union's fourth social audit, the methodology is still evolving. At each stage of development, new issues emerge that require further consideration and refinement of the methodology.

Process Improvements

As result of the development and publication of the 1998 social audit, the Board of Directors, the Social Audit Task Force, the social auditor and management have reviewed and discussed a number of concerns and points of confusion. Two significant developments resulted.

First, the Board appointed a Social Audit Review Committee. The Committee was responsible for reviewing the social audit results and making recommendations to the Board. This step ensured that the audit results were included, as appropriate, in strategic and operational planning.

Second, the Board developed and adopted a formal social audit policy. It became apparent over the past year that the roles of the various parties, as well as certain procedures and protocols, were unclear to many of the participants. The policy was designed to clarify these matters before the 2001 social audit process begins. The policy is shown in Appendix A.

Methodology Issues

The more rigorous and standardized methodology of the past two audits was an important step forward. At the same time, a number of challenging issues remain unresolved. How far do we go in measuring social performance? The social audit should obviously assess our current programs and policies, but how do we address social issues or concerns where the Credit Union has no formal policies, programs or mandate?

Another issue that arose is whether all of our current indicators (measurements) are substantive and meaningful. In some cases, we may be measuring too much detail. In other cases, we still have a lack of indicators. Several of our key areas of activity – lending and investment services – have been particularly challenging. We have extensively discussed how to measure and maintain records to assess social performance in these areas. We have wrestled with issues of members' privacy, employee privacy, the logistics of record-keeping, and a lack of consensus on what our social objectives are. We have yet to resolve these challenges.

These are examples of significant, and as yet, unresolved issues relating to methodology and the ongoing development of the social audit.

Indicators to Be Deleted

The Social Audit Task Force believes it is important to publicly report in advance on any indicators that are being removed from future audits to help provide assurance that the deletions are for appropriate reasons. The following indicators used in the current audit report will not be included in future reports for the reasons noted.

1.1.2 Attendance at AGM: Branch Affiliations

In the future, we will not report on branch affiliation of those members attending the AGM, as it does not provide a meaningful overview of geographic distribution.

1.2.3 Board Composition and Diversity

Branch affiliation data will not be collected on directors, as it is not good geographic indicator.

3.3 Language and Service

As the Credit Union has no policy regarding multi-lingual services, there will not be any measurement of language barriers or language preference of members in future social audits.

4.2 Employment Equity

The only employment equity characteristic to be used will be gender, due to the number of staff not in favour of providing race and ethnicity data. Future audits will begin to report hiring, promotions and departures by gender.

Section VII: Final Comments & Future Directions

6.2.3 Complaint Resolution

We should remove the employee survey question (used on the 1998 survey) about “less formal complaints” because the wording is too vague and confusing.

7.2 Population Group and Ethnic/Cultural Origin

While future surveys of members (Section 7) and elected leaders (Section 1.2.3) may pose a question about population group (i.e. race) along with other demographic information to allow comparison with general census data, the surveys will not be asking about ethnicity, as the comparative census data is not considered reliable by many experts.

8.1 Micro-enterprise Loan

Commercial loan and micro-enterprise loan data will be reported as consolidated totals rather than broken out by branch to eliminate unnecessary detail from the report.



Appendix A: Social Audit Policy

Introduction

Metro Credit Union is committed to providing its members and the general community with information regarding its practices and performance in more than just fiscal matters. To this end, the credit union recognizes the importance of developing indicators as measures of the organization's social performance, of collecting and externally verifying this data, and of presenting it by way of a social audit report.

The Credit Union recognizes that social auditing represents a new way of gathering and disseminating information about the activities of an organization. Over time, and as more institutions, particularly credit unions, undertake social audits, generally accepted social auditing standards and benchmarks will be developed. Metro Credit Union believes that its pioneering work in the conducting social audits will help lead to the development of such standards.

Commitment

Metro Credit Union is committed to regular, externally verified social audits. The credit union is also committed to reporting the results of these audits to members and to the general community.

Roles and Responsibilities

The Board of Directors will:

- a) develop terms of reference for, and appoint, members of a Social Audit Task Force. The Task Force will consist of both members of the Board, members of the Credit Union, and any other individuals the Board feels would be appropriate to serve on the Task Force;
- b) approve an annual budget for the social audit process and approve the hiring of the social auditor;
- c) review the results of the audit with the auditor prior to the release of the audit;
- d) appoint a Social Audit Review Committee to review the results of the audit and to make recommendations to the Board regarding any action the Task Force feels is necessary in light of the recommendations.

The Social Audit Task Force will:

- a) work with the external auditor to develop and revise indicators for the social audit;
- b) review the results of the social audit and prepare, with the assistance of the auditor and staff, a draft social audit report to present to senior management and the Board of Directors;
- c) make recommendations to the Board of Directors on the appointment of the social auditor.

Senior Management will:

- a) provide a staff person to work with the Social Audit Task Force and assist in the writing and production of the social audit report;
- b) provide a staff person to liaise with the social auditor with regard to the collection of data for the social audit;
- c) meet with the social auditor to discuss the draft audit and the management letter and prepare a response to the management letter for circulation to the Board.

The Social Auditor will:

- a) work with the Social Audit Task Force to develop the indicators for the social audit;
- b) develop an audit plan, in conjunction with Metro Credit Union staff, that identifies the data to be collected and the person or persons responsible for the data collection;
- c) review the data collected to form an opinion on its validity;
- d) report the findings of the audit in draft form to first, the Social Audit Task Force, then to senior management and then to the Board of Directors;
- e) write the final social audit report and review any accompanying materials regarding the social audit not prepared by the auditor to ensure its accuracy;
- f) prepare a management letter to senior management and discuss the contents of that letter with senior management and the Board of Directors.

Metro Credit Union Branches

Corporate Office

230 Brown's Line
Toronto, ON

Bay Street

800 Bay St.
Toronto, ON

Danforth

1577 Danforth Ave.
Toronto, ON

Ryerson Campus

Room L158, Jorgenson Hall
350 Victoria St.
Toronto, ON

Lakeshore

3001 Lakeshore Boulevard W.
Etobicoke, ON

Scarborough

1175 Brimley Rd.
Scarborough, ON

York Campus

York Lanes Mall, Unit 18
4700 Keele St.
North York, ON

Bramalea

1-375 Howden Boulevard
Brampton, ON

Streetsville

113 Queen St. S.
Streetsville, ON

Malton

2829 Derry Rd. E.
Mississauga, ON

Bolton

334 Queen St.S.
Bolton, ON

Phone: (416) 252-5621

Toll Free: 1-800-777-8507

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