

From: "Johnston, Sadhu" <Sadhu.Johnston@vancouver.ca>

To: "Direct to Mayor and Council - DL"

CC: "City Manager's Correspondence Group - DL"

"Pickard, Gail" <Gail.Pickard@vancouver.ca>

"Impey, Patrice" <Patrice.Impey@vancouver.ca>

Date: 3/2/2020 12:12:35 PM

Subject: Memo - Operating budget updates and City Auditor - RTS 013724 & RTS 013725

Attachments: FRS - Memo to Mayor and Council - Requests to staff Operating budget and auditors.pdf

Dear Mayor and Council,

Attached is a memo responding to 2 requests to staff for Information from the February 11 Council meeting regarding 2 areas (RTS 013724 and RTS 013725):

- 1) The practice at the municipal level regarding the City's auditor.
- 2) An outline of the practice of operating budget updates.

Regarding the Municipal auditor:

- Council appoints the auditor annually
- Council receives the Audit Plan in advance of the audit
- Council receives the Audit Findings Letter following the audit
- Council will be briefed on the financial statements and the audit findings at the March 2nd staff/council briefing

Regarding the Operating budget updates:

- Council approves the Consolidated budget and the operating and capital budget each year
- There is no requirement to report updates on the operating or capital budgets.
- As a best practice, over the past several years, staff have prepared a quarterly review of the Operating and Capital budgets and the forecasted yearend position. This is posted on the City's website with other financial information (<https://vancouver.ca/your-government/financial-reports-and-information.aspx>).
- It has also been Council practice to allow for updates to the Capital budget on a quarterly basis to enable changes through the year to adjust to new information, new funding which may have been received, and address emerging priorities. Where changes are required, a report to Council is prepared and seeks Council approval of new projects, project budgets and funding.

Should you have any questions, feel free to contact me or Patrice Impey at (604) 873-7610 or Patrice.Impey@vancouver.ca.

Best,
Sadhu

Sadhu Aufochs Johnston | City Manager
Office of the City Manager | City of Vancouver
604.873.7627 | sadhu.johnston@vancouver.ca

Pronouns: he, him, his



The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the Musqueam, Squamish, and Tsleil-Waututh peoples.

MEMORANDUM

February 28, 2020

TO: Mayor and Council

CC: Sadhu Johnston, City Manager
Paul Mochrie, Deputy City Manager
Karen Levitt, Deputy City Manager
Lynda Graves, Administrative Services Manager, City Manager's Office
Rena Kendall-Craden, Communications Director
Katrina Leckovic, City Clerk
Anita Zaenker, Chief of Staff, Mayor's Office
Neil Monckton, Chief of Staff, Mayor's Office
Alvin Singh, Community Relations Director, Mayor's Office
Julia Aspinall, Director of Financial Services
Colin Knight, Director of Citywide FP&A

FROM: Patrice Impey
General Manager, Finance, Risk and Supply Chain Management

SUBJECT: Requests to Staff 013724 and 013725 – City Auditor process and Operating budget update process

This purpose of this memo is to provide Council with a response to two requests from Councillor Dominato at the February 11, 2020 Council meeting to report back regarding:

- 1) The practice at the municipal level regarding the City's auditor.
- 2) An outline of the practice of operating budget updates.

City's Auditor:

Council appoints the Auditor on an annual basis. The audit is then conducted following the year-end close. Council receives a copy of the Audit plan through the City Manager. At the conclusion of the audit, Council receives a copy of the Audit Findings Report for information.

The Vancouver Charter specifies the responsibilities related to the Annual Financial Statements. The Vancouver Charter differs from the Community Charter which governs other municipalities in BC. The Community Charter requires Council to approve the annual financial statements. In Vancouver, the Director of Finance is responsible for approving the annual financial statements which include:

- Report of Director of Finance
- Auditor's report
- Financial statements & notes

Council receives the statements for information.

The City's practice has been to review the financial statements with Council at a Staff/Council briefing. The Auditors will be attending the briefing this year on March 2nd.

The financial statements are also provided to Council as part of the Statement of Financial Information (SOFI) which is a requirement of the Financial Information Act. The SOFI contains:

- Annual Financial Statements
- Schedule of Debt
- Schedule of remuneration
- Schedule of Supplier Payments

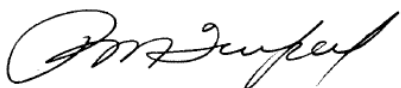
The SOFI will be reported to Council at the March 10th meeting.

Operating budget updates:

The Vancouver Charter requires that Council approve a budget each year. The Annual Budget and 5 year Financial plan includes a consolidated budget for the city including all entities and funds, as well as the detailed Operating and Capital budgets. There is no requirement to report updates on the operating or capital budgets. As a best practice, over the past several years, staff have prepared a quarterly review of the Operating and Capital budgets and the forecasted yearend position. This is posted on the City's website with other financial information (<https://vancouver.ca/your-government/financial-reports-and-information.aspx>). It has also been our practice to allow for updates to the Capital budget on a quarterly basis to enable changes through the year to adjust to new information, new funding which may have been received, and address emerging priorities. Where changes are required, a report to Council is prepared and seeks Council approval of new projects, project budgets and funding.

Should you have any questions regarding the above, please feel free to contact me at 604-873-7610 or at patrice.impey@vancouver.ca.

Best Regards,



Patrice Impey
General Manager, Finance, Risk and Supply Chain Management/ CFO

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patrice.impey@vancouver.ca