



**Office of the City Manager  
Internal Audit Division**

March 30, 2023

Members of the Vancouver Police Board Finance Committee,

At the request of the Vancouver Police Board (VPB) Finance Committee, we have reviewed the Statement of Recoveries and Expenditures as at December 31, 2022. The financial information presented in the Statement of Recoveries and Expenditures is the responsibility of Vancouver Police Department (VPD) management. Management is also responsible for the preparation and fair presentation of these financial statements. This includes implementing the necessary internal controls to prepare financial statements that are free from material misstatement, whether due to fraud or error.

**Work Performed**

The engagement was performed based on the following specifically agreed upon procedures:

- Agreed the financial information to the records and accounts in the general ledger of the City of Vancouver (City);
- Reviewed the working papers prepared by VPD management for any reclassifications;
- Discussed with VPD management and analyzed financial information for reasonableness and consistency with City accounting policies;
- Performed variance analysis based on the Council approved budgets and obtained explanations from VPD management where appropriate;
- Inquired as to the accounting, budget and other internal controls to obtain reasonable assurance that transactions are properly authorized and accurately recorded;
- Made inquiries and obtained written representation from VPD management to identify any deviations from accounting policies and procedures that would affect the integrity of the Statement of Recoveries and Expenditures; and
- Conducted follow-up on any prior year audit observations and verified completion of related recommendations.

These procedures were not designed to detect fraud. Accordingly, there should be no such reliance.

**Audit Observation**

1. Reconciliation of Financial Data

Reconciliation of VPD's Statement of Recoveries and Expenditures to the City's general ledger resulted in a difference of \$877,488 in revenues and expenses. \$789,834 of this amount is pertaining to traffic authority recoveries and the remaining \$87,654 is due to an adjustment required to properly reflect the accrual for sworn and civilian salaries. While this differs from the City's financial statements where gross revenue and expense amounts are reported, it is consistent with VPD's continued practice of reporting expenses net of cost recoveries for management reporting purposes. VPD management has disclosed the difference as a

management report adjustment in the year-end variance report to the VPB Finance Committee dated February 10, 2023.

**Conclusion**

We found that the Statement of Recoveries and Expenditures (Appendix 1) is fairly presented and in compliance with the VPD's policies and practices. The statement was prepared in all material respects, consistent with the City's corporate accounting policies and agreed to the City's general ledger.

Submitted by:



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Chief of Internal Audit

**VANCOUVER POLICE DEPARTMENT  
STATEMENT OF RECOVERIES AND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**APPENDIX 1**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
<b>RECOVERIES</b>				
Sworn Overtime Recoveries				
Third Party Events	(\$7,900,000)	(\$5,289,460)	\$2,610,540	
Overtime	(1,198,238)	(512,500)	685,738	
Total Sworn Overtime Recoveries	(9,098,238)	(5,801,960)	3,296,278	
Secondments	(15,980,634)	(15,251,434)	729,200	
Grants & Donations	(2,175,687)	(1,000,000)	1,175,687	
Government	(1,720,714)	(880,000)	840,714	
Fees for Service	(1,947,466)	(2,122,620)	(175,154)	
Other	37,035	(362,400)	(399,435)	
<b>TOTAL RECOVERIES</b>	<b>(30,885,704)</b>	<b>(25,418,414)</b>	<b>5,467,290</b>	<b>21.5%</b>
<b>EXPENDITURES</b>				
<b><u>Salaries and Benefits</u></b>				
Sworn				
Salaries	\$179,367,741	\$190,537,592	\$11,169,851	
Overtime	23,873,020	14,653,092	(9,219,928)	
Secondment Overtime	1,257,155	1,995,975	738,821	
Entertainment District Overtime	1,397,436	1,061,715	(335,721)	
	205,895,351	208,248,374	2,353,023	
Civilian Professionals				
Salaries	25,550,743	26,262,319	711,576	
Casual & Temp Salaries	5,650,826	5,207,422	(443,404)	
Overtime	1,002,716	351,682	(651,034)	
	32,204,286	31,821,423	(382,863)	
Statutory Holiday Pay	8,193,951	6,439,433	(1,754,518)	
Benefits	62,177,676	62,085,087	(92,589)	
<b>Total Salaries and Benefits</b>	<b>308,471,263</b>	<b>308,594,316</b>	<b>123,053</b>	<b>0.04%</b>
<b><u>Non-Salary Items</u></b>				
Equipment & Fleet				
Fleet	12,821,456	12,793,190	(28,266)	
Uniforms & Equipment	8,078,911	5,711,311	(2,367,600)	
Other	11,127	10,924	(203)	
	20,911,494	18,515,425	(2,396,069)	
Other Expenses				
Criminal Investigation Fund	3,219,910	3,349,640	129,730	
Travel & Training	2,823,858	2,878,571	54,713	
Community Policing Centres	1,788,897	1,833,800	44,903	
Other	3,346,383	2,952,444	(393,939)	
	11,179,048	11,014,455	(164,593)	
Professional Fees				
Legal	1,787,289	482,500	(1,304,789)	
Contract Services	2,958,352	1,767,631	(1,190,721)	
Jail Operations - Nurses & Medical	1,793,873	1,796,690	2,817	
Other	264,327	209,900	(54,427)	
	6,803,841	4,256,721	(2,547,120)	
Facilities & Maintenance	3,137,061	2,477,808	(659,253)	
Supplies & Materials	3,506,660	4,088,741	582,080	
City Allocations	26,408,870	26,408,870	0	
Transfers	79,022	(287,558)	(366,580)	
<b>Total Non-Salary Items</b>	<b>72,025,996</b>	<b>66,474,461</b>	<b>(5,551,535)</b>	<b>-8.4%</b>
<b>TOTAL EXPENDITURES</b>	<b>380,497,259</b>	<b>375,068,778</b>	<b>(5,428,482)</b>	<b>-1.4%</b>
<b>TOTAL SURPLUS</b>	<b>\$349,611,556</b>	<b>\$349,650,364</b>	<b>\$38,808</b>	<b>0.01%</b>