

File No.: 04-1000-20-2024-011

March 22, 2024

s.22(1)

Dear s.22(1)

Re: **Request for Access to Records under the Freedom of Information and Protection of Privacy Act (the "Act")**

I am responding to your request of January 2, 2024 under the *Freedom of Information and Protection of Privacy Act* for:

**Record of full texts of all audits from the City's internal audit branch. Date range: June 1, 2023 to January 1, 2024.**

All responsive records are attached. Please note, all other audit reports responsive to your request which are not included in the responsive records are currently available on the City's website here: <https://vancouver.ca/your-government/internal-audit-reports.aspx>.

Under section 52 of the Act, and within 30 business days of receipt of this letter, you may ask the Information & Privacy Commissioner to review any matter related to the City's response to your FOI request by writing to: Office of the Information & Privacy Commissioner, [info@oipc.bc.ca](mailto:info@oipc.bc.ca) or by phoning 250-387-5629.

If you request a review, please provide the Commissioner's office with: 1) the request number (#04-1000-20-2024-011); 2) a copy of this letter; 3) a copy of your original request; and 4) detailed reasons why you are seeking the review.

Yours truly,

*[Signed by Cobi Falconer]*

**Cobi Falconer, MAS, MLIS, CIPP/C**  
**Director, Access to Information & Privacy**  
[cobi.falconer@vancouver.ca](mailto:cobi.falconer@vancouver.ca)  
453 W. 12th Avenue Vancouver BC V5Y 1V4

If you have any questions, please email us at [foi@vancouver.ca](mailto:foi@vancouver.ca) and we will respond to you as soon as possible. Alternatively, you can call the FOI Case Manager at 604-871-6584.

Encl. (Response Package)

:pm

**Distribution:**

Audit Committee

Adam Palmer, Chief Constable, Vancouver Police Department  
Howard Chow, Deputy Chief Constable, Operations Division  
Matt Harty, Acting Superintendent, Operations Command  
Terry Yung, Inspector, Diversity, Inclusion & Indigenous Relations Section  
Clair MacGougan, Executive Director, Hastings Sunrise Community Policing Centre

**EXECUTIVE SUMMARY**

August 18, 2023

The City of Vancouver Internal Audit division was engaged to conduct an audit of Hastings Sunrise Community Policing Centre (CPC), with the objective of assessing the adequacy of internal controls over financial processes and ensuring proper stewardship of funds. Additionally, key controls over operations were reviewed to determine their efficiency and effectiveness in supporting CPC program objectives.

While the scope of this audit focused on the Hastings Sunrise CPC, the findings and recommendations in this report may also be relevant to other CPCs and their respective policies and procedures. In our opinion, internal controls relating to financial processes are generally adequate. There are opportunities for improvement in performance measurement, enhancing the background check process for staff and volunteers, and formalization of policies. The key findings and recommendations are:

**F.1 Review key performance indicators to be included in operating agreement for all CPCs**

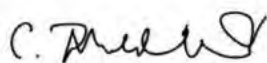
A Memorandum of Understanding (MOU) is currently being drafted between VPD and CPCs with the objective of outlining terms and conditions for funding provided to CPCs. Key performance indicators should be included in the MOU to facilitate measurement of program achievements.

**F.2 Enhance processes relating to volunteer management and background checks**

Criminal record checks are completed when hiring staff and volunteers but are not subsequently renewed. Renewing criminal record checks periodically helps to ensure a safe environment for the CPC and the public. Additionally, liability waivers can provide risk mitigation of potential damage or losses relating to volunteer activities.

**F.3 Develop and implement an investment policy**

A portion of funds are invested in term deposits to earn interest revenue on cash that is not needed immediately for operations. Formalization of an investment policy can support the governance of these funds and help ensure that investment activities align with and support operational program funding needs.



## A. BACKGROUND

The Vancouver Police Department (VPD), through the City of Vancouver, provides funding to Community Policing Centres (CPCs) on an annual basis to support crime prevention and community safety programs. There are 11 CPCs located in neighborhoods throughout Vancouver, with one additional CPC scheduled to open in Q3 2023. Currently nine of the CPCs operate independently as a registered non-profit society reporting to their respective Boards, while two are operated by the VPD.

CPCs work in partnership with the VPD, the City of Vancouver, businesses, community organizations and other government agencies to promote safety in the community they reside in. Below are examples of programs that are operated by CPCs:

- Information and Community Assistance – responding to safety concerns and providing referrals to resources available to the public;
- Road Safety – includes speed watch in school and park zones and road safety education;
- Citizens Patrol – includes foot/bike patrols and vehicle crime prevention;
- Business Safety – reporting of crime and street disorder in business districts;
- Outreach – organizing community events to raise awareness on community issues; and
- Community Clean-up – regular clean-up of litter and removing graffiti.

Hastings Sunrise CPC began operating in 1999 and serves the residential and business areas near Hastings Street East Village. CPCs employ a small team of core staff to manage programs and are significantly reliant upon volunteers in the community to support CPC program work. There were over 100 volunteers registered with Hastings Sunrise CPC according to 2022 records.

The following is a summary of 2022 revenue sources for Hastings Sunrise CPC:

VPD/City of Vancouver grant	\$188,713
Other grants	\$186,520
Donations & Fundraising	\$25,889
<b>Total</b>	<b>\$401,122</b>

## B. SCOPE

The Hastings Sunrise Community Policing Centre audit was initiated with the objective of assessing the adequacy and effectiveness of internal controls over financial processes. The audit included a review of:

- Policies and procedures related to financial management and procurement;
- Financial records including financial statements, bank statements and accounting general ledger reports; and
- A sample of expense transactions and supporting approval documentation.

This audit is not designed to detect fraud. Accordingly there should be no such reliance.

## **C. CONCLUSION**

In our opinion, internal controls relating to financial processes are generally adequate. There are opportunities for improvement in performance measurement, strengthening the background check process for staff and volunteers, and formalization of policies.

Findings and recommendations have been discussed with appropriate management and responses incorporated in this report.

## **D. RISK ANALYSIS**

The potential significant risks considered if controls were not in place are:

- Inadequate internal controls or lack of oversight may impact the organization's ability to provide services to the community and/or result in reputational damage;
- Lack of policies and guidelines or non-compliance with existing policies may lead to an unacceptable level of operational risk; and
- Expenditures may not comply with policy, may be unauthorized, or may be inappropriate business expenses.

## **E. POSITIVE OBSERVATIONS**

At Hastings Sunrise CPC, we noted that there are established finance and accounting policies in place which are clearly documented and are being adhered to. Management and staff were cooperative throughout the audit process and we thank them for their time and assistance.

## **F. AUDIT ISSUES, RECOMMENDATIONS AND MANAGEMENT RESPONSES**

### **F.1 Include Key Performance Indicators in Operating Agreement**

A Memorandum of Understanding (MOU) operating agreement for all CPCs is currently in the process of being drafted and under review by the VPD, City of Vancouver, and CPC representatives. CPC management indicated that based on discussions with VPD, the planned completion date to finalize the MOU is by the end of 2023 pending availability of stakeholders. An important element of a MOU is to establish performance objectives and outline expected outcomes.

The draft MOU includes a requirement for a report of the CPC's achievements to be provided to VPD annually, however there are no performance metrics specified. As this part of the agreement is in draft stage, there are some key metrics or performance indicators that can be considered for improving accountability in performance objectives. Examples of these include:

- Number of community safety programs operating each year;
- Number of public concerns or complaints addressed;
- Number of volunteers engaged;
- Number of road safety checks conducted; and
- Number of foot or bike community patrols completed.

### **Recommendation:**

**F.1.1 The Executive Director for Hastings Sunrise CPC or a delegate CPC representative on the MOU working committee should discuss key performance indicators with VPD for inclusion in the new CPC operating agreement as indicators of effective operating performance. This should be completed by June 30, 2024 or when the operating agreement is finalized, whichever is earlier.**

***Management Response:***

*Please check one:*

- Agree with the findings
- Disagree with the findings

*Please check one:*

- Agree with the recommendations
- Disagree with the recommendations

***Management Action Plan:***

*KPIs are currently tracked and reported in VPD Annual Report. Management will plan to discuss the inclusion of appropriate KPIs in the MOU, the timeline for these discussions will be set by the VPD.*

**F.2 Enhance processes relating to volunteer management and background checks**

Community Policing Centres require all staff and volunteers to complete a criminal record check before onboarding to determine suitability and ensure a safe environment in providing services to the community.

Upon inquiry with CPC management, criminal record checks are currently not renewed after the initial check that is completed prior to hiring. It is a good practice to renew criminal record checks periodically to ensure updated information is on file. For example, the City of Vancouver requires a police information check to be renewed every five years for staff and volunteers in a position of trust. A position of trust is defined as a person paid or unpaid who is perceived to have influence or persuasion over children, youth, or vulnerable individuals.

Liability waivers

Volunteers at Hastings Sunrise CPC are currently not required to sign liability waivers. Liability waivers can provide an organization with additional risk mitigation and protection from loss or damages relating to volunteer engagement. The City of Vancouver Volunteer Engagement policy (ADMIN-028) requires all City volunteers to sign a Volunteer Placement Form which requires the volunteer to release and indemnify the City in connection with engaging in volunteer duties.

**Recommendations:**

**F.2.1 The Executive Director for Hastings Sunrise CPC, in consultation with the Vancouver Police Department, should determine feasibility of implementing a process for periodic renewal of criminal record checks for staff and volunteers in a position of trust. This assessment should be completed by December 31, 2023.**

***Management Response:***

*Please check one:*

- Agree with the findings
- Disagree with the findings

*Please check one:*

- Agree with the recommendations
- Disagree with the recommendations

***Management Action Plan:***

Management will work with VPD to review these findings and implement a recurring background check process taking into consideration different volunteer responsibilities at the CPC and capacity of VPD to process an increased number of record check requests.

**F.2.2 The Executive Director for Hastings Sunrise CPC, in consultation with the VPD, should conduct a risk and benefit analysis to determine feasibility of implementing liability waivers for volunteers. This analysis should be completed by December 31, 2023.**

**Management Response:**

Please check one:

Agree with the findings

Disagree with the findings

Please check one:

Agree with the recommendations

Disagree with the recommendations

**Management Action Plan:**

Management has concerns in connection with requiring volunteers to sign waivers. Management will review this finding and recommendation with VPD and follow any guidance that comes out of this process.

**F.3 Develop and implement an investment policy**

Based on review of 2022 financial information, Hastings Sunrise CPC had \$45,000 invested in term deposits with maturity lengths of one to three years.

While investing can provide an organization with interest revenue on cash that is not immediately needed for day to day operations, the benefit of earning interest should be balanced with a non-profits operational objectives and the potential need to access cash in the short term.

There is currently no investment policy in place at the time of review. In general, investments should have a guaranteed principal, be easily convertible to cash and have a short term maturity length in the event that the funds are needed for operational programs.

An investment policy that addresses types of investments permitted, maturity length, risk tolerance and dollar limit thresholds should be developed and approved to ensure investments support organizational objectives.

**Recommendations:**

**F.3.1 The Executive Director for Hastings Sunrise CPC should develop an investment policy that addresses types of investments permitted, maturity length, and dollar limit thresholds and obtain Board approval. This should be completed by December 31, 2023.**

**Management Response:**

Please check one:

Agree with the findings

Disagree with the findings

Please check one:

Agree with the recommendations

Disagree with the recommendations

**Management Action Plan:**

Management will develop an investment policy for Board approval as part of the 2023 policy review.

**Distribution:**

Audit Committee

Adam Palmer, Chief Constable, Vancouver Police Department  
Howard Chow, Deputy Chief Constable, Operations Division  
Matt Harty, Acting Superintendent, Operations Command  
Terry Yung, Inspector, Diversity, Inclusion & Indigenous Relations Section  
Mauro Francis, Executive Director, South Vancouver Community Policing Centre

**EXECUTIVE SUMMARY**

August 23, 2023

The City of Vancouver Internal Audit division was engaged to conduct an audit of South Vancouver Community Policing Centre (CPC), with the objective of assessing the adequacy of internal controls over financial processes and ensuring proper stewardship of funds. Additionally, key controls over operations were reviewed to determine their efficiency and effectiveness in supporting CPC program objectives.

While the scope of this audit focused on the South Vancouver CPC, the findings and recommendations in this report may also be relevant to other CPCs and their respective policies and procedures. In our opinion, internal controls over financial processes require improvement. There are opportunities for strengthening controls through formalization of policies, enhancing the background check process for staff and volunteers, in addition to retaining supporting documentation of expenses.

The more significant findings and recommendations are:

**F.1 Formalize and document procurement and expense policies**

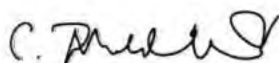
Procurement and expense policies at South Vancouver CPC were not documented at the time of review. Policies and procedures should address various methods of purchasing, including expense reimbursement, credit card, and petty cash and required approvals.

**F.2 Enhance processes relating to volunteer management and background checks**

Criminal record checks are completed when hiring staff and volunteers but are not subsequently renewed. Renewing criminal record checks periodically helps to ensure a safe environment for the CPC and the public. Additionally, liability waivers can provide risk mitigation of potential damage or losses relating to volunteer activities.

**F.3 Ensure expense approvals are documented and invoices are paid on a timely basis**

Supporting receipts and documentation of approvals were missing for some expense samples reviewed. Additionally, a number of invoices were not paid on a timely basis by the invoice due date. Expenses incurred should be paid on a timely basis to avoid late fees and appropriate supporting documentation of approvals retained going forward.





## A. BACKGROUND

The Vancouver Police Department, through the City of Vancouver, provides funding to Community Policing Centres on an annual basis to support crime prevention and community safety programs. There are 11 CPCs located in neighborhoods throughout Vancouver, with one additional CPC scheduled to open in Q3 2023. Currently nine of the CPCs operate independently as a registered non-profit society reporting to their respective Boards, while two are operated by the VPD.

CPCs work in partnership with the VPD, the City of Vancouver, businesses, community organizations and other government agencies to promote safety in the community they reside in. Below are examples of programs that are operated by CPCs:

- Information and Community Assistance – responding to safety concerns and providing referrals to resources available to the public;
- Road Safety – includes speed watch in school and park zones and road safety education;
- Citizens Patrol – includes foot/bike patrols and vehicle crime prevention;
- Business Safety – reporting of crime and street disorder in business districts;
- Outreach – organizing community events to raise awareness on community issues; and
- Community Clean-up – regular clean-up of litter and removing graffiti.

South Vancouver CPC began operating in 1997 and serves the Victoria-Fraserview area. CPCs employ a small team of core staff to manage programs and are significantly reliant upon volunteers in the community to support CPC program work. There were over 100 volunteers registered with South Vancouver CPC according to 2022 records.

The following is a summary of 2022 revenue sources for South Vancouver CPC:

VPD/City of Vancouver grant	\$177,493
Other grants	\$85,392
Donations	\$3,661
<b>Total</b>	<b>\$266,546</b>

## B. SCOPE

The South Vancouver Community Policing Centre audit was initiated with the objective of assessing the adequacy and effectiveness of internal controls over financial processes. The work included a review of:

- Policies and procedures related to financial management and procurement;
- Financial records including financial statements, bank statements and accounting general ledger reports; and
- A sample of expense transactions and supporting approval documentation.

This audit is not designed to detect fraud. Accordingly there should be no such reliance.

## C. CONCLUSION

In our opinion, internal controls over financial processes require improvement. There are opportunities for strengthening controls through formalization of policies, enhancing the background check process for staff and volunteers, in addition to retaining supporting documentation of expenses.

Findings and recommendations have been discussed with appropriate management and responses incorporated in this report.

## D. RISK ANALYSIS

The potential significant risks considered if controls were not in place are:

- Inadequate internal controls or lack of oversight may impact the organization's ability to provide services to the community and/or result in reputational damage;
- Lack of policies and guidelines or non-compliance with existing policies may lead to an unacceptable level of operational risk; and
- Expenditures may not comply with policy, may be unauthorized, or may be inappropriate business expenses.

## E. POSITIVE OBSERVATIONS

South Vancouver CPC has made improvements to digitize documents for records retention purposes and is in the process of updating existing policies and procedures. Management and staff were cooperative throughout the audit process and we thank them for their time and assistance.

## F. AUDIT ISSUES, RECOMMENDATIONS AND MANAGEMENT RESPONSES

### F.1 Formalize and document procurement and expense policies

At the time of this review, South Vancouver CPC (SVCPC) did not have documented policies and procedures related to procurement, including those for purchase cards, petty cash, or expense reimbursements.

An expense authorization was approved by the previous Board in 2022 which established that purchases made up to \$2,500 by the Executive Director did not require Board approval. While this may provide efficiency in making purchase decisions, it is general good practice for purchases made by senior management to be reviewed and approved by a Board member.

It is also important to have documented procurement and expense policies in place to ensure purchases made are appropriate business expenses, appropriately reviewed and to establish adequate segregation of duties . The following are suggested criteria to consider when formalizing these policies:

Procurement methods	Requirements to consider
Purchase Cards (P-Card)	<ul style="list-style-type: none"><li>• Maximum spending limits</li><li>• Reconciliation of monthly statements</li><li>• Retention of supporting receipts</li><li>• Authorized cardholders and approvers</li></ul>
Expense Reimbursement	<ul style="list-style-type: none"><li>• Purchases over a \$ limit requiring competitive bidding</li></ul>

	<ul style="list-style-type: none"> <li>• Expense types that are not eligible for reimbursement</li> <li>• Supporting documents required for reimbursement</li> <li>• Authorized approvers</li> </ul>
Petty Cash	<ul style="list-style-type: none"> <li>• Maximum petty cash amount and replenishment level</li> <li>• Reconciliation of petty cash on a regular basis</li> <li>• Types of eligible expenses</li> <li>• Authorized approvers</li> </ul>

Based on discussion with SVCPC management, standard operating procedures relating to the above areas are in the process of being drafted and pending Board review and approval.

Without formalized policies and procedures in place supporting procurement processes, there may be inadequate oversight over approval of expenditures and an increased risk of mismanagement or misappropriation of funds.

**Recommendations:**

**F.1.1 The Executive Director for South Vancouver CPC should formalize and document procurement policies, including those relating to purchase cards, expense reimbursements, and petty cash, and obtain Board approval. This should be completed and communicated to staff involved in these functions by December 31, 2023.**

***Management Response:***

*Please check one:*

Agree with the findings

Disagree with the findings

*Please check one:*

Agree with the recommendations

Disagree with the recommendations

**F.1.2 The Executive Director for South Vancouver CPC should update the expense policy with the requirement for expense reimbursements to be reviewed by an authorized approver. Expense reimbursements for the Executive Director should be approved by a Board member. This should be in place by December 31, 2023.**

***Management Response:***

*Please check one:*

Agree with the findings

Disagree with the findings

*Please check one:*

Agree with the recommendations

Disagree with the recommendations

**F.2 Enhance processes relating to volunteer management and background checks**

Community Policing Centres require all staff and volunteers to complete a criminal record check (Police Information Check) before onboarding to determine suitability and ensure a safe environment in providing services to the community.

For two out of five volunteers selected for review at South Vancouver CPC, there was no documentation on file as evidence that a check was completed. The Executive Director indicated that the checks were completed by management prior to his tenure but they could not be located.

Upon inquiry with CPC management, criminal record checks are currently not renewed after the initial check that is completed prior to hiring. It is a good practice to renew criminal record checks

periodically to ensure updated information is on file. For example, The City of Vancouver requires a police information check to be renewed every five years for staff and volunteers in a position of trust. A position of trust is defined as a person paid or unpaid who is perceived to have influence or persuasion over children, youth, or vulnerable individuals.

### Liability waivers

Volunteers at both CPC's reviewed are currently not required to sign liability waivers. Liability waivers can provide an organization with additional risk mitigation and protection from loss or damages relating to volunteer engagement. The City of Vancouver Volunteer Engagement policy (ADMIN-028) requires all City volunteers to sign a Volunteer Placement Form which requires the volunteer to release and indemnify the City in connection with engaging in volunteer duties.

### **Recommendations:**

**F.2.1 The Executive Director for South Vancouver CPC should conduct the criminal record check for the two missing background checks and file them in a secure location. This should be completed by December 31, 2023.**

#### ***Management Response:***

*Please check one:*

- Agree with the findings
- Disagree with the findings

*Please check one:*

- Agree with the recommendations
- Disagree with the recommendations

**F.2.2 The Executive Director for South Vancouver CPC, in consultation with the Vancouver Police Department, should determine feasibility of implementing a process for periodic renewal of criminal record checks for staff and volunteers in a position of trust. This assessment should be completed by December 31, 2023.**

#### ***Management Response:***

*Please check one:*

- Agree with the findings
- Disagree with the findings

*Please check one:*

- Agree with the recommendations
- Disagree with the recommendations

**F.2.3 The Executive Director for South Vancouver CPC , in consultation with the VPD, should conduct a risk and benefit analysis to determine feasibility of implementing liability waivers for volunteers. This analysis should be completed by December 31, 2023.**

#### ***Management Response:***

*Please check one:*

- Agree with the findings
- Disagree with the findings

*Please check one:*

- Agree with the recommendations
- Disagree with the recommendations

### F.3 Ensure expense approvals are documented and invoices are paid on a timely basis

Review of a sample of 25 expenses for South Vancouver CPC, selected for the period from January 1 to December 31, 2022, identified the following issues around approvals, timeliness of payment, and supporting documentation:

- Five expenses (20% of transactions sampled, totaling \$6,616) were not paid on a timely basis by the invoice due date, as the invoices were being sent to a previous Executive Director's email address;
- Four expenses (16% of transactions sampled, totaling \$2,108) did not have documented evidence of approval; and
- One out of two timesheets selected for review was misfiled and could not be located upon request.

It was also noted at the time of review in Q2 2023, the SVCPC credit card in use was issued under the name of a former Board member that departed the organization in 2022. Upon inquiry with management as to the reason for this, management indicated that the credit card will be cancelled and a new card issued in the Executive Director's name.

#### Recommendations:

**F.3.1 The Executive Director for South Vancouver CPC should ensure that expenses incurred are paid on a timely basis and appropriate approvals are documented. This should be in place by October 31, 2023.**

**Management Response:**

*Please check one:*

- Agree with the findings  
 Disagree with the findings

*Please check one:*

- Agree with the recommendations  
 Disagree with the recommendations

**F.3.2 The Executive Director for South Vancouver CPC should ensure that timesheets are retained and stored securely. This should be in place by October 31, 2023.**

**Management Response:**

*Please check one:*

- Agree with the findings  
 Disagree with the findings

*Please check one:*

- Agree with the recommendations  
 Disagree with the recommendations

**F.3.3 The Executive Director for South Vancouver CPC should ensure that the SVCPC credit card under the former Board member is cancelled and a new one is issued in the Executive Director's name. This should be in place by October 31, 2023.**

**Management Response:**

*Please check one:*

- Agree with the findings  
 Disagree with the findings

*Please check one:*

- Agree with the recommendations  
 Disagree with the recommendations

#### **F.4 Enhance variance analysis reporting of financial information**

Conducting variance analysis of financial information is an effective method for understanding an organization's current financial performance and assisting the Board with its financial oversight duties.

At South Vancouver CPC, financial information prepared for the Board in 2022 included year to date actual expenses however did not include comparison to budgeted amounts. The bookkeeper indicated that SVCPC has recently started providing year over year financial information to their Board on a monthly basis.

Budget to actual information is essential for analyzing funds available within the current fiscal year, while year over year comparison is useful for understanding changes that may have impacted an organization's financial performance over a specific time period. A materiality percentage or dollar threshold can be considered when preparing variance analysis for efficiency purposes.

#### **Recommendations:**

**F.4.1 The Executive Director for South Vancouver CPC should enhance financial information provided to the CPC Board by including budget to actual and year over year comparison amounts on a minimum annual basis. This should be completed by December 31, 2023.**

#### ***Management Response:***

*Please check one:*

Agree with the findings

Disagree with the findings

*Please check one:*

Agree with the recommendations

Disagree with the recommendations

#### **F.5 Develop and implement an investment policy**

Based on review of 2022 financial information, South Vancouver CPC had \$45,000 invested in a one year term deposit maturing in 2023.

While investing can provide an organization with interest revenue on cash that is not immediately needed for day-to-day operations, the benefit of earning interest should be balanced with a non-profits investment objectives and the potential need to access cash in the short term.

There is currently no investment policy in place at the time of review. In general, investments should have a guaranteed principal, be easily convertible to cash and have a short term maturity length in the event that the funds are needed for operational programs.

An investment policy that addresses types of investments permitted, maturity length, risk tolerance and dollar limit thresholds should be developed and approved by the respective CPC Board to ensure investments support organizational objectives.

#### **Recommendations:**

**F.5.1 The Executive Director for South Vancouver CPC should develop an investment policy that addresses types of investments permitted, maturity length, and dollar limit thresholds and obtain Board approval. This should be completed by December 31, 2023.**

#### ***Management Response:***

*Please check one:*

- Agree with the findings
- Disagree with the findings

*Please check one:*

- Agree with the recommendations
- Disagree with the recommendations

## **F.6 Address corrections required in South Vancouver CPC accounting records**

### Carry forward balances

Review of SVCPC's accounting records identified balances in four ledger accounts carried over from 2021 that remained unchanged in 2022. The combined balance of these accounts is \$15,709.

Management and the bookkeeper at SVCPC indicated that they may be unnecessary accounts that need to be cleared from the general ledger.

According to SVCPC, an external professional accounting firm will be hired to review the 2022 SVCPC financial statement and adjusting entries will be made as needed to correct the balances noted.

### Depreciation expense

As the 2022 financial statement is prepared by the bookkeeper for internal reporting purposes, depreciation expense is not calculated. A professional accounting firm would be able to make adjusting journal entries to calculate depreciation expense for capital assets in the SVCPC internal financial statement.

### Investments

Term deposits were incorrectly classified as inventory in the 2022 financial statement. Adjusting entries should be made to classify term deposits as investments.

### **Recommendations:**

**F.6.1 The Executive Director for South Vancouver CPC should review the opening balances noted and ensure that inaccurate balances and account classifications are corrected in the general ledger. This should be completed by December 31, 2023.**

#### ***Management Response:***

*Please check one:*

- Agree with the findings
- Disagree with the findings

*Please check one:*

- Agree with the recommendations
- Disagree with the recommendations

**F.6.2 The Executive Director for South Vancouver CPC should ensure that depreciation expense is recorded in the accounting system and reflected in the 2022 financial statement as deemed appropriate by an external accountant. This should be completed by December 31, 2023.**

#### ***Management Response:***

*Please check one:*

- Agree with the findings
- Disagree with the findings

*Please check one:*

- Agree with the recommendations
- Disagree with the recommendations

## **F.7 Ensure accuracy of accounting entries related to revenues for South Vancouver CPC**

There were a number of inaccurate entries found in the 2022 General Ledger for South Van CPC, including:

- A \$1,000 donation received from a grocery retail store and a \$2,000 donation from a community service organization were erroneously recorded as a deposit from the Receiver General; and
- Membership fees collected in 2022 were recorded to donations revenue in the operating account instead of the membership fees account.

Upon inquiry, it was noted that the above instances were a result of the source of funds not being clearly communicated to the bookkeeper at the time of recording the entries.

Management indicated that new operating procedures will be written and presented in an upcoming Board meeting, and will address how membership fees should be recorded going forward.

The source of funds should be clearly communicated to the bookkeeper in order to ensure that all revenue deposits are accurately recorded in SVCPC's general ledger and integrity of information is maintained.

### **Recommendation:**

**F.7.1 The Executive Director for South Vancouver CPC should ensure that the source of funds for all revenue received is communicated to the bookkeeper for appropriate accounting entry recording in the general ledger. This should be in place by October 31, 2023.**

#### ***Management Response:***

*Please check one:*

Agree with the findings

Disagree with the findings

*Please check one:*

Agree with the recommendations

Disagree with the recommendations

## **F.8 Ensure compliance with general operating requirements at South Vancouver CPC**

The CPC General Service Requirements checklist outlines minimum operating standards for CPCs and is reported annually to the VPD. Based on review of the requirements, the following areas were noted for potential non-compliance at South Vancouver CPC:

### Public access to information

The South Vancouver CPC website was not accessible at the time of review in Q2 2023 as it was undergoing updates. Although the website was not working, there were other means of providing public information in place including on social media platforms. However, as the website is a main source of information on CPC services for the public, it should be maintained and kept up to date with relevant information.

### Operating hours

CPCs are required to be open to the public for a minimum of seven hours per day on weekdays. Based on review of SVCPC operating hours, the centre is open on Mondays from 9am-1pm, which does not meet the minimum requirement. However, it was noted that the centre is open longer on other days (Tuesday to Friday from 9am-5pm). To ensure accessibility to the public and maintain



consistency of operating hours for all CPCs, the operating hours for South Vancouver CPC should be revised to be in compliance with the VPD operating requirement.

**Recommendations:**

**F.8.1 The Executive Director for South Vancouver CPC should ensure that the public website is maintained with up to date information on programs. Any non-compliance with operating requirements should be reported to the VPD in a timely manner and on the 2023 operating checklist. This should be completed by December 31, 2023.**

**Management Response:**

*Please check one:*

Agree with the findings

Disagree with the findings

*Please check one:*

Agree with the recommendations

Disagree with the recommendations

**F.8.2 The Executive Director for South Vancouver CPC should ensure that the operating hours are updated in accordance with the General Service Requirements to ensure accessibility to the public. Any non-compliance with operating requirements should be reported to the VPD in a timely manner and on the 2023 operating checklist. This should be completed by December 31, 2023.**

**Management Response:**

*Please check one:*

Agree with the findings

Disagree with the findings

*Please check one:*

Agree with the recommendations

Disagree with the recommendations

**G. OTHER OBSERVATIONS**

**G.1 Include Key Performance Indicators in Operating Agreement**

A Memorandum of Understanding (MOU) operating agreement for all CPCs is currently in the process of being drafted and under review by the VPD, City of Vancouver, and CPC representatives. An important element of a MOU is to establish performance objectives and outline expected outcomes.

The draft MOU includes a requirement for a report of the CPC's achievements to be provided to VPD annually, however there are no performance metrics specified. As this part of the agreement is in draft stage, there are some key metrics or performance indicators that can be considered for improving accountability in performance objectives. Examples of these include:

- Number of community safety programs operating each year;
- Number of public concerns or complaints addressed;
- Number of volunteers engaged;
- Number of road safety checks conducted; and
- Number of foot or bike community patrols completed.

CPC management indicated that based on discussions with VPD, the planned completion date to finalize the MOU is by the end of 2023 pending availability of stakeholders.