

Riley Park South Community Advisory Committee

17 April 2024

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Auditor General



- Mandate
- Audit plan
- Findings & Recommendations
- Follow-up
- Return on Investment
- Whistleblowing & How to Contact to OAG

PLEASE ASK QUESTIONS!

AT ANY TIME

I do lots of presentations

This is a (rare) opportunity for discussion

- Established by AG By-law
- “assisting Council in holding itself and City administrators accountable for the quality of stewardship over public funds and for achievement of value for money in city operations”
- Assist Council in fulfilling their responsibility to oversee the City’s operations
- Performance audit only
 - 3 E’s of value for money
Economy, Efficiency, Effectiveness
- Accountable only to Council
 - AG is independent of City Management

- Appointed September 2021
- 7-year, non-renewable term
- City staff must provide information and access to records
- City staff required to respect and support AG independence
- AG must report to Council any attempts at interference
- Police, parks & library overseen by Boards –
by invitation only

My Audit Opinion is Not “My Opinion”

- OAG follows Canadian Audit Standards (CAS), issued by CPA Canada
- CAS require ability for 3rd party validation
 - Test: An independent observer, presented only with the same evidence, should reach the same conclusion
 - “Sufficient appropriate audit evidence”
- CAS requires me to provide audit opinion
- Audit Opinion is a misnomer
- ✗ Not my personal, subjective view
- ✓ Evidence-based conclusion concerning established criteria

Team



- I do not comment on policy
- I do not comment on current events
- I do not speak on behalf of the City

- I speak publicly only about work that I've done
- I comment only on things I have looked at in detail and have evidence to support

- Auditors General are credible because everything they publish is supported by evidence, not opinion

- Must produce an annual audit plan by Jan 30
- High level
- Identifies topics of interest
- Currently looking at:
 - Non-profit leases
 - VPD performance measurement
 - Cybersecurity
- Later this year, Park Board assets

- Based on KOB – an evolving process
- Financial, social, environmental risk
- Importance
- Public interest
- Urgency
- Good practices in other jurisdictions
- The audit plan will change

- No surprises
- Call it as I see it
- Balance
- Evidence not opinion

- Evidence gathered for each audit criterion
- Summarized as findings
- Findings lead to conclusions
- Summary of Findings presented to auditee to ensure factual accuracy
 - Agreement on facts is essential

- Flow from findings
- Discussed with management
- Intended to address root causes of deficiencies
- Focus on “what” needs to be done, not “how” to do it
 - “How” is management’s prerogative and responsibility
- Management response included in report
- Endorsement of Council sought for all recommendations

- **Building Permit Fees – January**
- **Office Furniture Purchases – February**
- **Permitting Program Cost Recovery Model – May**
- **Park Board Revenue Management – November**
- **Vancouver Police Department Enterprise Risk Management – December**

- December 2022 – first in a semi-annual process
- Status of audit recommendations endorsed by Council
- Representations of management
- No verification, no assurance regarding completeness or accuracy
- Management is here to answer your questions

Follow-up: Summary of Reported Results

			Status of Recommendations			
Audit Report	Report Release Date	Number of Recommendations Made	Fully or Substantially Implemented	Alternative Action Taken	Partially Implemented	No Substantial Action Taken
Initial Follow-Ups						
Building Permit Fees	Jan 2023	5		1	2	2
Office Furniture Purchases	Feb 2023	5	2	1	2	
Permitting Program Cost Recovery Model	May 2023	8	3		2	3
Totals		18	5	2	6	5
Percent of total recommendations			28%	11%	33%	28%

- **Goal 4:**
To produce a positive return on investment for Vancouver taxpayers

KPI	2022 Actual	2023 Target	2023 Actual	2024 Target
4.1 Proportion of OAG five-year operational costs matched by positive financial impacts for the City attributable to our recommendations	n/a	Fully measured in 2028	160%	100%

- Council assigned responsibility for Whistleblowing to the Auditor General effective Jan 1, 2024
- Brings Vancouver in line with other Canadian jurisdictions
 - All complaints reviewed and, where appropriate, investigated independently
 - Confidential
 - Employees and external parties
 - Protection from retribution
 - Results reported to Council
 - Grounds defined
- Excludes Mayor & Council – Integrity Commissioner

“Serious Wrongdoing”

1. Financial act or omission that would constitute an offence in BC or Canada
2. Serious misuse or mismanagement of public funds or assets, including fraud & waste
3. Conflict of interest benefiting a City employee
4. Encouraging another employee to commit serious wrongdoing
5. Concealing information related to any of the above

Contacting the OAG

- whistleblowing@vancouver.ca
- <https://vancouver.ca/your-government/report-fraud.aspx>
- 604-844-1797

- mike.macdonell@vancouver.ca
- <https://vancouver.ca/your-government/auditor-general.aspx>

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