

April 9, 2019

Parks Financial Review 2018

Background

Internal Audit has reviewed the 2018 operating and capital budget results memo prepared by Vancouver Board of Parks and Recreation management for the year ended December 31, 2018. Management is responsible for the preparation and fair presentation of financial information and for such internal controls as management deemed necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Scope

The engagement was performed based on the following specified procedures:

- Agreed the financial information to the records and accounts in the general ledger of the City of Vancouver;
- Discussed with management and analyzed financial information for reasonableness and consistency with City accounting policies;
- Performed variance analysis based on Council and Park Board approved budgets and obtained explanations where appropriate;
- Reviewed the working papers prepared by management of the Vancouver Park Board for any reclassifications; and
- Inquired as to the accounting, budget and other internal controls to obtain reasonable assurance that transactions are properly authorized and accurately recorded, and that assets are properly safeguarded and accounted for to maintain the integrity of financial records.

To coincide with a City-wide employee expense audit, we also reviewed Parks employee expenses including travel & training claims and purchase card expenses. The objectives were to assess for appropriate authorization, reasonable business purpose and compliance with established policies and procedures.

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

Conclusion

Based on the results of the above procedures, we found that:

1. The 2018 year end operating and capital budget results memo (see Appendix 1) was prepared, in all material respects, consistent with the City's corporate accounting policies and agreed to the City's general ledger. The financial information is fairly presented and in compliance with Vancouver Park Board and City's policies; and
2. Travel/training claims and purchase card expenses incurred by Parks were properly authorized, approved and in compliance with City guidelines and Parks policies.

Observations and Recommendations

1. Review and update Parks financial policies

The Parks Procurement Policy outlines requirements for procuring goods & services at the Vancouver Park Board. The policy was last updated in 2010 to align with the City of Vancouver's (CoV) procurement processes. As the CoV Procurement Policy was updated in 2018, there are minor discrepancies between the current Parks policy and the CoV policy, primarily relating to commitment authority and change order thresholds.

The CoV Business Meeting and Discretionary Expenses policy was issued in Q4 2018 to outline requirements for staff expenses. There is currently no similar business meeting expense policy at Parks.

Recommendation

Parks management should review and update Parks financial policies to align with the City's Procurement Policy and Business Meeting and Discretionary Expense Policy. Updates to policies should be communicated to Parks staff in a timely manner.

2. Restrict use of ActiveNet from staff events

Through a review of employee expenses, there was one instance identified where the ActiveNet system was used for event registration of a staff retirement party. The utilization of ActiveNet for the event was approved by business unit management. The full cost of \$3.5K for the event was paid by the organizing Parks staff members. Parks management is aware of this one time occurrence and agrees that ActiveNet should be reserved for public event registration and not staff events.

Recommendation

Parks management should communicate to staff that the ActiveNet registration system is reserved for public event registration and not staff events going forward.

The above observations have been reviewed and discussed with management. Parks management indicated that a review of Parks financial policies is on the work plan for this year and has agreed to address the recommendations outlined.