



FOLLOW-UP REPORT

Update on the Status of Previous Audit Recommendations



A follow-up report on the implementation status of management action plans for recommendations made in previous audit reports

June 2024

Message From the Auditor General

To the Mayor and Council of the City of Vancouver,

I am pleased to present my second follow-up report on the status of previous audit recommendations.

Where my audits identify opportunities for improvement in the economy, efficiency and/or effectiveness of the City's operations I make recommendations aimed at addressing root causes. As Auditor General I, quite appropriately, have no ability to compel the City to implement my recommendations, so I ask Council to endorse them. And on behalf of Council's Auditor General Committee, every six months I follow-up on the status of these recommendations.

It is important to note that the status updates contained in this report have been provided by, and are the representations of, City management. My team has conducted no work to verify the information provided and we offer no assurance or any form of comment regarding its completeness or accuracy. As part of their oversight responsibilities and to ensure robust accountability, I encourage the Auditor General Committee to ask questions of audited departments concerning their representations, and to seek clarification or further information.

It is gratifying to see audited departments report that half of the 33 recommendations made by my office to date have been fully or substantially completed. I look forward to seeing further progress in the next semi-annual follow-up report to be presented to Council in December 2024.



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Auditor General
Vancouver, B.C.

13 June 2024

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Definitions

SELF-ASSESSED STATUS CATEGORIES

Alternative Action Taken: The department has taken actions that were not anticipated by the recommendation but address the underlying issues.

Fully or Substantially Implemented: The department has fully or substantially addressed the recommendation and plans no further work.

No Substantial Action Taken: the department has not, or has not yet, taken actions in response to the recommendation.

Partially Implemented: The department's actions to address the recommendation are in process.

Summary of Reported Results

Audit Report	Report Release Date	Total	Audit Recommendations					
			Completed or Alternate Action Taken	Partially Implemented	No Action Taken			
2023 - Initial Follow-Ups								
Vancouver Police Department's Enterprise Risk Management	Dec 2023	9	4	44%	5	56%	0	0%
Park Board Revenue Management	Nov 2023	6	0	0%	6	100%	0	0%
Total		15	4	27%	11	73%	0	0%
2023 - Subsequent Follow-Ups								
Permitting Program Cost Recovery Model	May 2023	8	3	38%	4	50%	1	12%
Office Furniture Purchases	Feb 2023	5	3	60%	2	40%	0	0%
Building Permit Fees	Jan 2023	5	1	20%	4	80%	0	0%
Total		18	7	39%	10	56%	1	5%
Grand Total		33	11	33%	21	64%	1	3%

INITIAL FOLLOW-UPS

Management Progress Reports

Audit of Park Board Revenue Management

Progress as at: May 24, 2024

Audit Report Released: [November 7, 2023](#)

Discussed by City Council: December 7, 2023

Self-Assessment conducted by: the Vancouver Board of Parks and Recreation

MANAGEMENT'S OVERALL COMMENTS

“Park Board management, with the support of an assigned Project Manager, have determined roles, responsibilities, and a schedule for advancing actions responding to the recommendations of the Office of the Auditor General. Generally, this work is moving through the planning stages, with two consultancies in procurement to address the Business Plan and Comprehensive Fee-Setting Framework recommendations.

Due to resource constraints and the lack of incremental funding provided for this work, assignment of a Project Manager was delayed until April of Q2 2024. Prior to this, the costs for external consultants to deliver the most significant actions in the absence of staff capacity were required to be absorbed within the broader range of Park Board's project and service delivery.

Across Q2-Q4 2024, recommendations 1, 3, and 6 are expected to be delivered. Progress for actions responding to remaining recommendations will be made through a test case developed for recommendation 2 and incorporating recommendations 4 and 5 for efficiencies. This test case will provide a process and templates for application to other service areas in subsequent years.”

RECOMMENDATIONS

Recommendations	Self-Assessed Status	Actions taken, results and/or actions planned
<p>Recommendation 1</p> <p>To help ensure that funding is made available for implementation of its strategic priorities, the Park Board should proactively engage with City Council as it develops current and future strategies.</p>	<p>Partially Implemented</p>	<p>“Staff are developing a process map to guide decision-making and responsibilities for the proactive engagement of City Council in the development of current and future strategies, plans, and other work with potential to inform or impact future Capital funding requests. This is expected to be completed in Q2 2024 with consideration of Council engagement on current plans and strategies in the interim.”</p>
<p>Recommendation 2</p> <p>For revenue-generating service areas, the Park Board should define and document service delivery objectives to guide operational decision-making and future investment. Plans should provide short to medium-term outlooks for service areas and be regularly reviewed and updated.</p>	<p>Partially Implemented</p>	<p>“Based on staff capacity and resource limitations, Park Board is taking a phased approach to this recommendation. A Business Plan for Bloedel Conservatory is planned for delivery in 2024 as part of the first phase. Staff distributed an RFP for consulting services and selected a successful proponent to create this Business Plan, including service delivery objectives, across Q2-Q3 2024. Note that this work will incorporate actions responding to Recommendations 4 and 5 to achieve efficiencies.</p> <p>Following completion of this test case, a general Business Plan framework will be derived and used for the development of Business Plans that apply to other revenue-generating service areas across Park Board.”</p>

Recommendations	Self-Assessed Status	Actions taken, results and/or actions planned
<p>Recommendation 3</p> <p>The Park Board should strengthen its fee-setting processes by implementing a comprehensive fee-setting framework that includes:</p> <ul style="list-style-type: none"> • Principles for determining revenue categories where user fees should and should not be charged; • Criteria to categorize services based on various factors such as the types of services, users and uses, affordability and accessibility; • Methods for determining service cost-recovery ratios to enable metrics for target setting and tracking of operational and financial performance; • Rationale and conditions for fee reductions or waivers; and, • A periodic process to reassess service categorizations and revenue objectives for existing services. <p>The revised framework should account for differences in the types of services provided between the Recreation Services and Business Services departments. The Park Board should also update its Fees and Charges Policy to reflect adjustments to the fee-setting processes outlined above.</p>	<p>Partially Implemented</p>	<p>“Staff are reviewing proposals for a consultancy to support the delivery of a Comprehensive Fee-Setting Framework, scoped to include the above principles, criteria, methods, rationale, and plan for periodic reassessment. This framework is scheduled to be delivered in Q4 2024.</p> <p>As the yearly Fees and Charges update will be in development before completion of the comprehensive fee setting framework, there will be limited opportunity in 2024 for updates to be made that reflect adjustments to fee-setting processes. Fees and Charges policy will be updated more fulsomely in 2025 after completion of the Comprehensive Fee-Setting Framework.”</p>
<p>Recommendation 4</p> <p>The Park Board should incorporate in its updated fee-setting framework an evaluation of full costs for each service area to strengthen the correlation between fees charged and the underlying costs, and define the types of costs it intends to recover through its fees.</p>	<p>Partially Implemented</p>	<p>“Ahead of development of the Comprehensive Fee-Setting Framework in Recommendation 3, an evaluation of full costs for Bloedel Conservatory will be incorporated within the Business Plan to address Recommendation 2.</p> <p>Drawing from this process and its findings, the implementation plan for the Comprehensive Fee-Setting Framework will include a methodology for evaluation of full costing and cost per service and is expected to be delivered in Q4 2024.”</p>

Recommendations	Self-Assessed Status	Actions taken, results and/or actions planned
<p>Recommendation 5</p> <p>The Park Board should define performance metrics for all revenue-generating service areas to enable monitoring and tracking of progress toward service delivery, revenue objectives and overall strategies.</p> <p>Performance metrics should:</p> <ul style="list-style-type: none"> • Be meaningfully designed to align with the performance and strategic objectives of the service area; • Have defined targets with timeframes for completion; • Have defined intervals and audiences for reporting; • Include up-to-date documented procedures for calculation; and, • Include a process to ensure that performance metrics are accurately calculated. 	<p>Partially Implemented</p>	<p>“With the support of Finance & Performance Measurement staff, performance metrics for Bloedel Conservatory are being developed from Q2-Q3 2024 in coordination with the Business Plan responding to Recommendation 3.</p> <p>Definition of performance metrics for other service areas will follow thereafter, using the template developed for Bloedel.”</p>
<p>Recommendation 6</p> <p>The Park Board should report on actual revenues versus expenditures including all relevant costs to track the achievement of revenue objectives by service areas.</p>	<p>Partially Implemented</p>	<p>“The yearly Fees & Charges report currently being developed by Finance staff is being structured to include information that reports on actual revenues versus expenditures, including all relevant costs.</p> <p>This report will be presented to the Board in Q4 2024 with following years continuing to include this process.”</p>

Audit of The Vancouver Police Department's Enterprise Risk Management

Progress as at: May 24, 2024

Audit Report Released: [December 7, 2023](#)

Discussed by City Council (AGC): January 16, 2024

Self-Assessment conducted by the Vancouver Police Department and the Vancouver Police Board

VANCOUVER POLICE BOARD'S OVERALL COMMENTS

“The Vancouver Police Board welcomes the opportunity to provide an update on the progress being made to formalize and centralize enterprise risk management (ERM). In particular, progress has been made in collaboration with the VPD to begin proposing enterprise risk categories to be used in a revised enterprise risk register. At the same time the Committee will also review a draft risk appetite statement (RAS). If the Committee approves the enterprise risk categories and RAS, these will be considered at the next Board Meeting on June 20, 2024.”

VANCOUVER POLICE DEPARTMENT'S OVERALL COMMENTS

“The Vancouver Police Department (VPD) welcomes the opportunity to provide an update on its progress towards formalizing and centralizing enterprise risk management (ERM). In addition to the information provided to the five VPD recommendations in this template, the following important updates are provided:

- 1) The Vancouver Police Board's (Board) Finance and Risk Committee (Committee) will discuss a VPD report that proposes enterprise risk categories for a revised enterprise risk register. At the same time the Committee will review a draft risk appetite statement (RAS) for the VPD. If the Committee approves the enterprise risk categories and RAS, then these will be discussed and considered for approval by the Board on June 20, 2024.
- 2) The VPD has established valuable contacts with the City of Vancouver's and the University of British Columbia's respective ERM managers. These contacts will be helpful to identify best practices.

Finally, the VPD is regularly communicating with, eliciting feedback from, and seeking approval from the Committee and the Board on ERM developments.”

RECOMMENDATIONS FOR THE VANCOUVER POLICE BOARD

Recommendations	Self-Assessed Status	Actions taken, results and/or actions planned
<p>Recommendation 1</p> <p>The Vancouver Police Board should clarify and expand sections of its Board Governance Manual relating to oversight of enterprise risk management such as:</p> <ul style="list-style-type: none"> • A statement that identifies the Board as the overseer of enterprise risk management for the Vancouver Police Department and describes what this entails; • A definition of risks including key risk categories the Board oversees such as: hazards, material, strategic, financial, reputational, governance, operational and other; • The roles of the Board and Chief Constable in defining and communicating the levels and types of risks the organization is willing to accept; • The Board’s expectations for when and how the Department should seek Board guidance or approval on managing enterprise risks; and, • The Board’s Standing Committee responsibilities for the oversight of financial and non-financial risk management. 	<p>Partially Implemented</p>	<p>“Preliminary work to clarify and formalize the Board’s role and monitoring of ERM is underway. The Board’s Finance and Risk Committee is scheduled to review a draft policy for ERM in the VPD on June 6, 2024. That policy recognizes the governance and oversight role of the Board regarding ERM. The Board’s Governance Manual and the terms of reference of the Committee will be adjusted to reflect this reality. Also on June 6th, the Committee will discuss, with the aim of recommending to the Board, the approval of enterprise risk categories for the VPD.</p> <p>As the ERM program matures, a defined relationship between the Board and Chief Constable will evolve and be incorporated into it.”</p>
<p>Recommendation 2</p> <p>The Vancouver Police Board should require that the Chief Constable establish, maintain and obtain Board feedback on and approval of an enterprise risk management framework, including a policy and risk register.</p>	<p>Fully or Substantially Implemented</p>	<p>“In April, the Board discussed and approved ISO 31000 as the ERM Standard for the organization. On June 6, 2024, the Committee will consider a draft ERM policy that, if approved, will be considered by the Board at its meeting on June 20, 2024. The VPD developed its initial risk register in the Q4 of 2023, and its ERM Section (ERMS) will review the register and make any recommendations to the Board for revising it in Q3 of 2024.”</p>

Recommendations	Self-Assessed Status	Actions taken, results and/or actions planned
<p>Recommendation 3</p> <p>The Vancouver Police Board should introduce consistent mechanisms to implement the Board’s risk management direction, such as:</p> <ul style="list-style-type: none"> • A process for the Board’s involvement in the development of an enterprise risk management policy and processes, and the development and management of departmental risk registers; • A schedule to review and approve the Vancouver Police Department’s enterprise risk register at least annually; and, • Processes through which the Board can obtain reasonable assurance that the Department’s risk management, internal control systems, and information systems are properly designed, reliable and operating effectively to prevent and mitigate risks, including elements such as: <ul style="list-style-type: none"> ○ Reporting, testing and third-party validations; and, ○ Regular reporting from management or direct oversight of the Department’s internal audit function. 	<p>Partially Implemented</p>	<p>“Preliminary work is underway on Board policies that include Board risk management direction and consistent mechanisms for implementation. The policies will formalize requirements for the VPD to present ERM developments, such as changes to the approved ERM standard, policy, and risk register to the Committee and then Board for consideration and approval, as well as require reviewing the risk register at least twice a year, risk controls, monitoring and reporting.”</p>
<p>Recommendation 4</p> <p>The Vancouver Police Board should include enterprise risk management as a knowledge area in the curriculum of its annual board development program.</p>	<p>Partially Implemented</p>	<p>“Board directors undertook initial ERM orientation in January of 2024 and the Board is considering a workshop in the second half of 2024. As well, the provincial government will be mandating training for all police boards that is anticipated to include ERM. The Board will augment its ERM training accordingly and formalize its curriculum by Q4 of 2024.”</p>

RECOMMENDATIONS FOR THE VANCOUVER POLICE DEPARTMENT

Recommendations	Self-Assessed Status	Actions taken, results and/or actions planned
<p>Recommendation 5</p> <p>The Vancouver Police Department should:</p> <ul style="list-style-type: none"> • Develop an enterprise risk management framework. This framework should include, at a minimum: <ul style="list-style-type: none"> ○ Clearly documented procedures to identify, assess, manage, and oversee its enterprise risks; ○ Communication procedures to enable consistent understanding of enterprise risk by all relevant stakeholders; and, • Develop an enterprise risk management policy that includes: <ul style="list-style-type: none"> ○ A requirement for management to apply enterprise risk management principles in managing department-wide risks; ○ Policy aims such as how risk management will assist the Department; and, ○ Specific responsibilities and accountabilities related to managing enterprise risks for units and individuals throughout the Department. 	<p>Fully or Substantially Implemented</p>	<p>“Regarding the first bullet point, at its April 25, 2024 meeting, the Board approved ISO 31000 as the ERM Standard for the VPD. The VPD will follow the risk management framework, process, and principles that are established by the ISO 31000 Standard.</p> <p>Re: the second bullet point, an ERM policy has been drafted and it is scheduled to be reviewed by the Committee on June 6, 2024. If the Committee approves the policy then it will be submitted to the Board for its consideration and approval at its June 20, 2024 meeting. The policy covers the third bullet point.”</p>
<p>Recommendation 6</p> <p>The Vancouver Police Department should assign responsibility for managing and overseeing enterprise risk management to a position or unit within the Department.</p>	<p>Fully or Substantially Implemented</p>	<p>“The VPD established the Enterprise Risk Management Section (ERMS) and appointed the Director of the Section, Drazen Manojlovic, who began work on February 5, 2024.”</p>

Recommendations	Self-Assessed Status	Actions taken, results and/or actions planned
<p>Recommendation 7</p> <p>The Vancouver Police Department should support the successful implementation of enterprise risk management by:</p> <ul style="list-style-type: none"> • Ensuring it has sufficient resources, expertise and capacity to effectively develop, and implement enterprise risk management; and, • Exploring training opportunities for senior leaders and other relevant Department personnel to ensure there is a consistent vision for what enterprise risk management can bring and commitment to its implementation throughout the Department. 	<p>Partially Implemented</p>	<p>“The plan is to expand the ERMS by one or two civilian professionals with risk management experience. The Director of the Section is analyzing the risk management needs of the VPD in order to assess what specific risk management skills are required (e.g., financial vs operational vs strategic).</p> <p>The ERMS is researching what cost-efficient training options exist that can be delivered to VPD senior managers. This training may be delivered by consultants, or a professional risk management association, or through in-house expertise. It is the goal to deliver this training by the end of 2024. As the ERM program matures, training to supervisors and front-line staff will be considered.”</p>
<p>Recommendation 8</p> <p>The Vancouver Police Department should develop a risk register that includes:</p> <ul style="list-style-type: none"> • Risks identified by internal and external stakeholders during its strategic planning sessions and facilitated unit-level risk assessment sessions; • Risks identified at Vancouver Police Board planning sessions and risk assessments conducted at these sessions; • Assignment of identified risks into categories to ensure that risks affecting similar functions, units and areas are clearly flagged to highlight areas of focus; • Units and individuals that are accountable for and contribute to the management of individual risk items; • Documentation on the effectiveness of risk treatments; and, • Risk thresholds, as developed with the Board. 	<p>Fully or Substantially Implemented</p>	<p>“In the fall of 2023 the VPD developed a risk register that contains identified risks, inherent and residual risk scores, risk mitigation strategies, risk treatment actions, and risk owners. As the ERMS has begun operations, the risk register's categories will be reviewed and built upon (where required or desirable). Moving forward the ERMS will, in the second half of 2024, develop a process to expand the identification of risks across all organizational Sections of the VPD.”</p>

Recommendations	Self-Assessed Status	Actions taken, results and/or actions planned
<p>Recommendation 9</p> <p>The Vancouver Police Department should use enterprise risk management assessments to help set objectives, make strategic decisions and allocate resources.</p>	<p>Partially Implemented</p>	<p>“The ERMS has assessed draft 2024 Strategic Business Planning Strategies, all revisions to policy and procedures, and about 20 individual projects/initiatives. ERM considerations will be a part of the development of the 2024 Strategic Business Plan and its Report-back to the Board. When the current Strategic Plan concludes at the end of 2026, ERM considerations will be a foundational piece of the development of the new Strategic Plan’s Goals. Regarding allocating resources, that can be a type of risk treatment and that option may be appropriate for any individual enterprise risk. Additionally, ERM will be a consideration in any future discussions about VPD-wide resource allocation.”</p>

SUBSEQUENT FOLLOW-UPS

Management Progress Reports

Audit of the Permitting Program Cost Recovery Model

Progress as at: May 24, 2024

Audit Report Released: [May 25, 2023](#)

Discussed by Council (AGC): June 1, 2023

Self-Assessment conducted by: Finance, Risk, & Supply Chain Management

MANAGEMENT'S OVERALL COMMENTS

“We extend our sincere appreciation to the Auditor General's Office for its role in facilitating a review of progress with respect to the audit recommendations. This process represents a critical aspect of our ongoing accountability measures.

Regarding the 5 remaining audit recommendations set for completion by 2024, we are pleased to provide the following status update:

- Three recommendations are on track to be fully completed within 2024.
- Two recommendations have been partially implemented. Our staff remains dedicated to these, with full implementation expected to extend beyond 2024. Future audit reports will detail the progress of specific projects tied to these recommendations.

By the end of 2024, we anticipate that six of the original eight recommendations will have been fully implemented. The audit recommendations will continue to be a key consideration in the 2025 Fee review process as further policy guidance is sought from Council in this area.”

COMPLETED RECOMMENDATIONS

Recommendations Addressed in Previous Follow-Up Report	Reported Completion Date
<p>Recommendation 1</p> <p>The City should annually review and document its fees for subdivision permits and rezoning applications against the actual cost of processing those applications to ensure the fees charged do not exceed the average cost of processing similar applications.</p>	Nov 2, 2023
<p>Recommendation 3</p> <p>The City should accurately calculate the projected and actual level of permit fee cost recovery using earned revenues and adjust permit fees accordingly to ensure it meets its full cost recovery objective, in alignment with policy direction from Council.</p>	Nov 2, 2023
<p>Recommendation 8</p> <p>The City should develop cost and revenue projections that extend beyond one year in order to support analysis of the permitting program’s long-term self-sufficiency.</p>	Nov 2, 2023

OUTSTANDING RECOMMENDATIONS

Recommendations	Self-Assessed Status	Actions taken, results and/or actions planned
<p>Recommendation 2</p> <p>The City should establish and document clear, detailed guidance for the permitting program. In developing this guidance, management should seek policy direction from Council and consider:</p> <ul style="list-style-type: none"> • The permitting program’s alignment with the authorities set out in the <i>Vancouver Charter</i> and relevant by-law requirements; • The timeframe over which the City intends to meet its objectives (e.g., over one year or over several years); • Whether it intends to recover the full cost of providing permitting services and under what circumstances the City might set a fee at more or less than 100 per cent of the full cost of service; • The roles and responsibilities of each department with respect to 	<p>June 2024</p> <p>Partially Implemented</p> <hr/> <p>Dec 2023</p> <p>No Substantial Action Taken</p>	<p>“This action is not due for completion until Q4 2024. However, the City has confirmed the permitting program’s alignment with legal authorities as part of the recent Audit. Also, during the 2024 fee review process a timeline for achieving cost recovery was approved by Council alongside the City’s intention to achieve 100 per cent full cost recovery. These elements of the recommendation and all remaining items will be agreed and drafted by staff and communicated to council for policy direction in 2024.”</p>

Recommendations	Self-Assessed Status	Actions taken, results and/or actions planned
<p>permit fee-setting, administration and meeting the permitting program’s cost recovery objective;</p> <ul style="list-style-type: none"> • A target balance range for the permitting program reserve; • The appropriate or targeted level of cost recovery for each permit category; and, • A periodic review of this guidance. 		
<p>Recommendation 4</p> <p>The City should annually calculate the projected cost of unprocessed permit applications and compare it to the deferred revenue balance. The City should develop a plan to address the surplus or deficit revealed by this comparison.</p>	<p>June 2024</p> <p>Partially Implemented</p> <hr/> <p>Dec 2023</p> <p>Partially Implemented</p>	<p>“One of the actions being taken under the Permit Improvement Program (PIP) is to deploy permit review time tracking across the Permitting Program. The resulting data, when available, will enable the City to calculate the projected cost of unprocessed permit applications. This action was initiated in Q2 2023 for Development Permits and is still in progress. Over time the process will be deployed to other permit types. Staff will provide further updates on this item on future Audit Report follow-ups.”</p>
<p>Recommendation 5</p> <p>The City should develop guidance on the appropriate target level of cost recovery for each permit category at the permit by-law level. Then, the City should assess the level of cost recovery for each permit category against the target and recommend to Council to adjust fees. This would improve the City’s fee-setting ability and support public transparency.</p>	<p>June 2024</p> <p>No Substantial Action Taken</p> <hr/> <p>Dec 2023</p> <p>No Substantial Action Taken</p>	<p>“This action is not due to be completed until Q4 2024. These targets and related actions will be agreed and drafted by staff and communicated to council for policy direction in 2024 alongside the program guidance in recommendation 2.”</p>
<p>Recommendation 6</p> <p>The City should publish additional information about the permitting program including the reserve opening balance, net surplus/deficit, closing balance for the year, and levels and sources of subsidization, if any.</p>	<p>June 2024</p> <p>Partially Implemented</p> <hr/> <p>Dec 2023</p> <p>Partially Implemented</p>	<p>“As part of the 2024 annual fee setting process staff published information on sources of subsidization for the program. Staff will publish additional information about the reserve opening balance, net surplus/deficit and closing balance for the year as part of the 2025 process.”</p>

Recommendations	Self-Assessed Status	Actions taken, results and/or actions planned
<p>Recommendation 7</p> <p>The City should enhance the cost and revenue components of its cost recovery model to enable more effective analysis by adding:</p> <ul style="list-style-type: none"> • A breakdown of costs by factors such as development type, size or complexity that aligns with the defined permit categories; and • Revenue projections that consider future economic factors, the City's development plans and industry trends. 	<p>June 2024</p> <p>Partially Implemented</p>	<p>“As previously stated, permit review time tracking is being deployed across the Permitting Program. The resulting data, when available, will enable the City to breakdown its costs by the above factors. Staff will provide further updates on this item on future Audit Report follow-ups.</p>
	<p>Dec 2023</p> <p>No Substantial Action Taken</p>	<p>Staff are also proposing an updated forecasting process for the program which will take account of future economic factors, the City's development plans and industry trends. If approved and resourced this process may be deployed in 2024.”</p>

Audit of Office Furniture Purchases

Progress as at: May 24, 2024

Audit Report Released: [February 22, 2023](#)

Discussed by Council (AGC): March 2, 2023

Self-Assessment Conducted By: Real Estate and Facilities Management and Supply Chain Management

MANAGEMENT’S OVERALL COMMENTS

“In November of 2023, an RFP was issued for an external consultant to help review the City’s current furniture guidelines, complete new Furniture Fitting and Equipment (FF&E) specifications and to develop guidelines on how and when to reassess office furniture to ensure best value.

The RFP was issued to 6 consultants. Out of the six, three declined to submit proposals and confirmed they would not be bidding. No feedback was received from the remaining three; however, the closing date was extended to January 23. No proposals were received. The City then reached out to one additional proponent who submitted a proposal which was reviewed and approved in late February.

We are currently in the process of establishing specifications for the evaluation and selection of FF&E, including a list of preferred and standardized items. The FF&E specifications will be completed in July 2024 at which time the intent is to go out to the market publicly to obtain options and pricing from furniture vendors in order to establish pre-qualification contracts. There will be an approximate 2-month period to review, test and sample products submitted by the vendors. Approvals from Bid Committee and Council will be required given the anticipated value of furniture purchases for the duration of the new contracts.”

COMPLETED RECOMMENDATIONS

Recommendations Addressed in Previous Follow-Up Report	Reported Completion Date
<p>Recommendation 1</p> <p>In the City’s next review of its Procurement Policy, scheduled for 2023, the Supply Chain Management and Legal Services department should make updates to ensure the policy addresses all trade obligation obligations.</p>	<p>Nov 7, 2023</p>
<p>Recommendation 2</p> <p>The Real Estate and Facilities Management, and Supply Chain Management departments should update the City’s procurement strategy for office furniture in preparation for the next procurement of office furniture.</p>	<p>Nov 7, 2023</p>

Recommendations Addressed in Previous Follow-Up Report	Reported Completion Date
<p>Recommendation 3</p> <p>The Supply Chain Management and Legal Services departments should review and revise the RFQ templates, guidelines, and processes to ensure:</p> <ul style="list-style-type: none"> • Compliance with trade agreements; • The use of consistent language and clauses throughout; and • That suppliers are provided with sufficient detail on how the selection process and ordering will proceed. <p>The Supply Chain Management department should ensure that guidelines on how to use the templates include the appropriate length of time for suppliers to respond to procurement opportunities, and a requirement to publish opportunities for suppliers to be added to a pre-qualification list. In addition, the Supply Chain Management department should ensure that guidelines require that any deviations from policy be properly justified and documented.</p>	<p>Nov 7, 2023</p>

OUTSTANDING RECOMMENDATIONS

Recommendation	Self-Assessed Status	Actions taken, results and/or actions planned
<p>Recommendation 4</p> <p>The Real Estate and Facilities Management department should develop guidelines on when and how often to conduct assessments and reassessments on office furniture items and systems to ensure best value. The guidelines should require consideration of new and evolving information relating to factors such as the City’s needs, ergonomics, quality and pricing; including their relative impacts in a weighted evaluation process. Additionally, the Real Estate and Facilities Management department should ensure adequate documentation linking assessments to decisions is developed and retained.</p>	<p>June 2024</p> <p>Partially Implemented</p> <hr/> <p>Dec 2023</p> <p>Partially Implemented</p>	<p>“Development guidelines on when and how often office furniture assessment should be conducted, and the methodology for the assessments to ensure value to the City will be ready for final review in December 2024.”</p>

Recommendation	Self-Assessed Status	Actions taken, results and/or actions planned
<p>Recommendation 5</p> <p>The Real Estate and Facilities Management department should continue to build upon existing processes and establish price lists in supply agreements for commonly purchased office furniture items, including new furniture items. In addition, guidelines with reasonable price ranges for specific furniture types should inform these price lists.</p>	<p>June 2024</p> <p>Partially Implemented</p> <hr/> <p>Dec 2023</p> <p>Partially Implemented</p>	<p>“The specifications, standard list of FF&E, and the pricing obtained through the RFP will be the basis for the new supply agreements. Pricing and the furniture items will be reviewed by REFM and Supply Chain Management annually to ensure the City continues to receive best value.”</p>

Audit of Building Permit Fees

Progress as at: May 24, 2024

Audit Report Release Date: [January 25, 2023](#)

Discussed by Council (AGC): February 2, 2023

Self-Assessment conducted by: Development, Buildings & Licensing

MANAGEMENT’S OVERALL COMMENTS

“An interim approach that provides the Chief Building Official with the necessary authority to stabilize the current permit cost valuation structure has been completed as a result of amendments to the Building By-law in September 2023 (Phase 1).

Phase 2 of this approach serves to propose options to improve the building permit fee process by introducing greater clarity and transparency specific to fee calculation methodologies and simplified fee structures. Work has been underway in Q1/Q2 2024 to conduct a comprehensive jurisdictional scan of building permit fees, and this is now nearing completion.

Staff remain on track to report back to Council in Q3 2024 in support of Phase 2 to propose recommendations to improve the building permit fee process as noted in the recommendations of the Auditor General Report.”

COMPLETED RECOMMENDATIONS

Recommendations Addressed in Previous Follow-Up Report	Reported Completion Date
<p>Recommendation 4</p> <p>The Development, Buildings and Licensing department should develop a process, utilizing information available in POSSE, to monitor for administrative consistency of the building permit fee process to ensure that fees are being assessed correctly.</p>	<p>Nov 7, 2023</p>

OUTSTANDING RECOMMENDATIONS

Recommendation	Self-Assessed Status	Actions taken, results and/or actions planned
<p>Recommendation 1</p> <p>The Development, Buildings and Licensing department should address discrepancies between the <i>Building By-law</i> and the administrative design of the City of Vancouver’s building permit fee assessment process by either:</p> <ul style="list-style-type: none"> • Redesigning processes to more explicitly comply with the <i>Building By-law</i> and address risk of under-charging or over-charging fees; or, • Researching and recommending to Council amendments to the <i>Building By-law</i> to include a different method for charging building permit fees that is consistent, reliable, equitable and more efficient than using the value of the proposed work submitted by applicants as a basis for charging fees, taking the following into consideration: <ul style="list-style-type: none"> ○ The alignment of the selected method with the purpose of charging fees in order to recover the full cost of providing the service of issuing permits; and, ○ Developing a transparent method for calculating fees that can be consistently and accurately applied, with administrative efficiency (which may be unique to different types of buildings). 	<p>June 2024</p> <p>Partially Implemented</p>	<p>“Phase 1 of this approach has been completed by amending the Building By-law in September 2023 in order to stabilize our current process as we explore permit fee methodologies and best practices as part of Phase 2.</p> <p>Work has been underway in Q1/Q2 2024 to conduct a comprehensive jurisdictional scan of building permit fees, and this is now nearing completion. This serves as a key first step to developing recommendations to improve the building permit fee processes as indicated in the Auditor General Report, and this remains on track for reporting back to Council in Q3 2024.”</p>
	<p>Dec 2023</p> <p>Partially Implemented</p>	

Recommendation	Self-Assessed Status	Actions taken, results and/or actions planned
<p>Recommendation 2</p> <p>The Development, Buildings and Licensing department should develop written guidelines or standard operating procedures for staff to follow when administering processes to determine building permit fees and provide training to staff on the procedures.</p>	<p>June 2024</p> <p>No Substantial Action Taken</p>	<p>“Written procedures responding to a standardized approach to building permit fee administration will be developed following the concluded option to improve the building fee calculation methodology (Phase 2).</p> <p>A jurisdictional scan of alternative methods was completed in May 2024, and these findings will form the basis of a report back to Council in Q3 2024 to propose options to improve the building permit fee process by introducing greater clarity and transparency, specific to fee calculation methodologies and simplified fee structures.”</p>
	<p>Dec 2023</p> <p>No Substantial Action Taken</p>	
<p>Recommendation 3</p> <p>The Development, Buildings and Licensing department should enhance the guidance provided to building permit applications in order to support applicants’ inclusion of complete and accurate information in their application forms.</p>	<p>June 2024</p> <p>Partially Implemented</p>	<p>“This action will be addressed as part of Phase 2 and is dependent on first concluding any new fee calculation methodology. Staff remain on track to propose options and recommendations in Q3 2024.”</p>
	<p>Dec 2023</p> <p>Partially Implemented</p>	
<p>Recommendation 5</p> <p>The Building Review Branch should review the value of the proposed work submitted for projects that have provided estimates during rezoning applications (for Community Amenity Contribution requirements) to determine if they would assist in assessing the reasonability of the values provided in building permit applications.</p>	<p>June 2024</p> <p>No Substantial Action Taken</p>	<p>“This work is future state and will be undertaken once we have completed Phase 2. Future work will require input from Planning, Urban Design and Sustainability and Finance to see clarity on the merits of this alignment.”</p>
	<p>Dec 2023</p> <p>No Substantial Action Taken</p>	