
VanRIMS No.: 08-2000-20

MEMORANDUM

February 6, 2025

TO: Auditor General Committee

FROM: Mike Macdonell, Auditor General

SUBJECT: Additional Information on the December 2024 Follow-Up Report

RECOMMENDATION

THAT the Auditor General Committee receive for information the Report dated January 7, 2025, entitled "Self-Assessed Progress on the Implementation of Previous Audit Recommendations", submitted by the Vancouver Police Board, as attached.

* * * * *

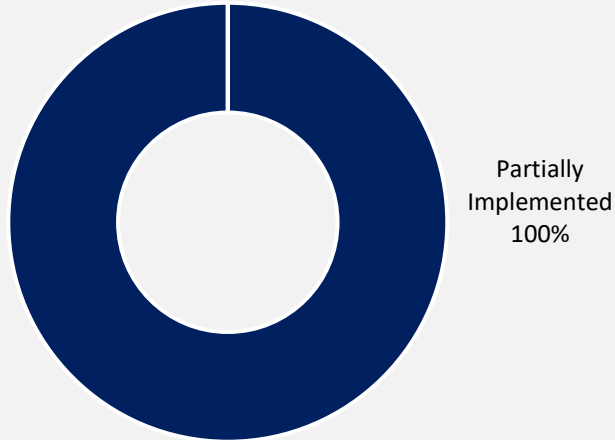
SELF-ASSESSED PROGRESS

Implementation of Previous Audit
Recommendations

Audit Report	Audit of the Vancouver Police Department's Enterprise Risk Management
Audit Report Release Date	December 7, 2023
Date of Update	January 7, 2025
Self-Assessment conducted by	The Vancouver Police Board

OVERVIEW OF RECOMMENDATION STATUS

October 2024



DEFINITIONS

Self-Assessed Statuses	Description
Fully or Substantially Implemented	The department has fully addressed the recommendation and plans no further work
Alternative Action Taken	The department has taken actions that were not anticipated by the recommendation, but address the underlying issues
Partially Implemented	The department's actions to address the recommendation are in process
No Substantial Action Taken	The department has not, or has not yet, taken actions in response to the recommendation

OUTSTANDING RECOMMENDATIONS

Note: *Stars denote suggested assessment status presented by the Auditor General to the Auditor General Committee (AGC) at their October 17th meeting, further to the June 20, 2024 Council motion that requested the Auditor General perform additional follow-up work on the VPD's June 2024 self-assessment.

Recommendation 1

The Vancouver Police Board should clarify and expand sections of its Board Governance Manual relating to oversight of enterprise risk management such as:

- 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.

Self-Assessed Status	December 2024 (select one)	June 2024
Fully or Substantially Implemented	<input type="checkbox"/>	
Alternative Action Taken	<input type="checkbox"/>	
Partially Implemented	✓	✓
No Substantial Action Taken	<input type="checkbox"/>	

Actions taken, results and/or actions planned

At its June 20, 2024 meeting, the Board reviewed and approved the VPD's high-level Enterprise Risk Management policy for the VPD Regulations and Procedures Manual 2.1.14. At that same meeting, the Board reviewed and approved the VPD's enterprise risk management categories and Risk Appetite Statement.

The Board will work in the coming months on considering updates to the Board's Governance Manual and the terms of reference of the Finance, Audit, and Risk Committee to better reflect the governance and oversight role of the Board regarding ERM.

Recommendation 2

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.

Self-Assessed Status	December 2024 (select one)	October 2024 Follow-Up* (suggested assessment)	June 2024
Fully or Substantially Implemented	✓		✓
Alternative Action Taken	<input type="checkbox"/>		
Partially Implemented	<input type="checkbox"/>	✓	
No Substantial Action Taken	<input type="checkbox"/>		

Actions taken, results and/or actions planned

At its June 20, 2024 meeting, the Board reviewed and approved the VPD's high level Enterprise Risk Management policy for the VPD. The VPD developed its initial risk register and, consistent with Auditor General recommendations, the Board's Finance, Audit, and Risk Standing Committee continues to work with the VPD's ERM Section to continue to develop and implement the register.

The Board previously approved ISO 31000 as the ERM Standard for the organization

Recommendation 3

The Vancouver Police Board should introduce consistent mechanisms to implement the Board’s risk management direction, such as:

- 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:
 - Reporting, testing and third-party validations; and,
 - Regular reporting from management or direct oversight of the Department’s internal audit function.

Self-Assessed Status	December 2024 (select one)	June 2024
Fully or Substantially Implemented	<input type="checkbox"/>	
Alternative Action Taken	<input type="checkbox"/>	
Partially Implemented	✓	✓
No Substantial Action Taken	<input type="checkbox"/>	

Actions taken, results and/or actions planned

Early work continues on developing formal Board policies to 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 Finance, Audit, and Risk Standing Committee and the Board for consideration and approval, as well as regular, periodic reviews of the risk register, risk controls, monitoring, and reporting. (The Standing Committee and Board are already undertaking this work with the VPD’s ERM Section – the Board next needs to formalize in policy what has been occurring practice.)

Recommendation 4

The Vancouver Police Board should include enterprise risk management as a knowledge area in the curriculum of its annual board development program.

Self-Assessed Status	December 2024 (select one)	June 2024
Fully or Substantially Implemented	<input type="checkbox"/>	
Alternative Action Taken	<input type="checkbox"/>	
Partially Implemented	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
No Substantial Action Taken	<input type="checkbox"/>	

Actions taken, results and/or actions planned

The Board's Directors undertook initial ERM orientation in January 2024. An in-house ERM workshop with the VPD's ERM Section is scheduled for the Board and VPD executives, in April 2025.

In addition, the provincial government mandates training for all police boards and that training is anticipated to include enterprise risk management. The new BC Police Board Training Program is a three-course training program tailored to police boards. The Province expects all Directors to complete the three courses during their term.