



Date: June 1, 2011

TO: Board Members – Vancouver Park Board
FROM: General Manager – Parks and Recreation
SUBJECT: 2011 Financial Audit

RECOMMENDATION

That the Board receive this report and the attached Appendix for information

POLICY

There is no applicable policy.

BACKGROUND

The provincial Financial Information Act (FIA) requires municipalities to prepare a Statement of Financial Information (SOFI) by June 30 each year to be filed with the Ministry of Community, Sport and Cultural Development. The FIA regulations require the SOFI to be presented to Council for approval.

The City's Audited Financial Statements contained in the SOFI are prepared by the City's accounting staff. Park Board expenses and revenues form part of those statements and as such, no audited financial statements are prepared for or presented to the Park Board. Financial reviews are provided on a monthly basis to the Board's Services and Budgets Committee and financial reports are provided to the Park Board for information on a quarterly basis and at year end.

Management are responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The City's Internal Audit Division (IAD) has the responsibility for assessing the City's internal control environment and making observations and recommendations on the effectiveness of management systems and processes. The IAD operates under the authority of the City's Internal Audit Charter and reports to the Internal Audit Management Team, comprised of the City Manager, Deputy City Manager, the Director of Finance and the Director of Legal Services to ensure independence and objectivity of the Internal Audit function.

DISCUSSION

At the request of the Park Board General Manager, the City's IAD was asked to conduct a review the Park Board's 2010 year end financial statements and related financial operations. As part of this process the following procedures were conducted:

- Financial information in the report was compared to the records and accounts in the City's general ledger;
- The working papers prepared by Park Board staff and submitted to the City for inclusion in the City's SOFI were reviewed;
- Park Board financial information was analyzed for reasonableness and consistency with City accounting practices;
- Budgets were compared to those approved by Council and explanations for variances were obtained;
- Accounting, budget and other internal controls of the Park Board were checked to obtain assurance that transactions are properly authorized and accurately recorded and that assets of the Park Board are properly safeguarded and accounted for to ensure the integrity of financial records;
- Accounting policies and procedures were reviewed to identify any deviations which would affect the integrity of the Statement of Revenues and Expenses.

As a normal part of any audit review, the internal auditor makes recommendations for management's consideration as part of the review process (see the attached appendix for the detailed results of the review). The recommendations noted in the report have been discussed with the General Manager and clarifications made or implementation direction agreed to.

Based on the above procedures, the Internal Audit Division found that the Statement of Revenues and Expenses was prepared consistently with the City's accounting policies, that they was consistent with the information in the City's general ledger and that appropriate accounting processes and key safeguards were in place to ensure the integrity of the statements presented to the Board.

SUMMARY

The City's Internal Audit Division reviewed the Park Board's 2010 year-end financial statements and operations and found that the Statement of Revenues and Expenses presented to the Board at its meeting on April 4, 2010 was prepared consistently with the City's corporate accounting policies and the information in the City's general ledger.

Prepared by:
Corporate Services
Vancouver Board of Parks and Recreation
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ME