



June 20, 2024

MEMO TO : Park Board Commissioners

FROM : Sarah Iacoe, Director, Strategic Operations and Board Relations

SUBJECT : **Auditor General Actions – Update – Board Briefing Memo**

Dear Commissioners,

The purpose of this memo is to provide an update on actions responding to recommendations provided in the Audit of Park Board Revenue Management prepared by the Office of the Auditor General (OAG). Park Board management, with the support of an assigned Project Manager, have determined roles, responsibilities, and a schedule for advancing actions for each of the six recommendations. This work is moving through the planning stages, with two consultancies recently procured to address the business plan and comprehensive fee-setting framework recommendations (recommendations 2 and 3, respectively).

Background

On January 16, 2023, a Motion was carried for the Board of Parks and Recreation to invite the Auditor General to commence a performance audit effective February 2023.

Following the January 2023 Motion, Park Board staff welcomed and cooperated with the Auditor General and staff to review revenue generating service provision and performance, eventually receiving six recommendations to enhance ability to achieve revenue objectives. Park Board management accepted all recommendations and provided action plans to deliver on these findings.

On November 23, 2023, the OAG released their performance audit report on Park Board revenue management. The next week, on November 27, 2023, the Report Recommendation was received by the Park Board, the six recommendations endorsed, and the Auditor General was invited to commence a performance audit effective January 2024.

Due to resource constraints and the lack of incremental funding provided for this work, assignment of a Project Manager to lead delivery of approaches for actions responding to the six recommendations was delayed until April 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. With support of City Finance, budgets are now reallocated to support delivery of these initiatives on an ongoing basis.

Current Status

Recommendation	Status	Anticipated Completion
1 Better engagement with Council	Complete	Q2 2024
2 Business plans	In progress – consultancy initiated	Q4 2024 for test case; Q4 2027 for all service lines



3 Comprehensive fee-setting framework	In progress – consultancy initiated	Q4 2024
4 Full costing	In progress as part of recommendation 2	Q2 2025 for test case; Q4 2026 full implementation
5 Performance metrics	In progress as part of recommendation 2	Q4 2024 for test case; Q4 2026 full implementation
6 Fees and charges – actual revenues vs. expenditures	In progress as part of annual fees and charges process	Q4 2024

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 pilot developed for recommendation 2 and incorporating recommendations 4 and 5 for efficiencies. This pilot will provide a process and framework to be applied to other service areas in subsequent years.

At the request of the Auditor General, a self-assessment was completed in May 2024 and shared for discussion at the next meeting of the Auditor General Committee on June 20, 2024. A copy of this form is attached as Appendix A for reference and provides further detail on the scope and planning for each recommendation.

Since completion of this self-assessment, staff have developed a proposed process map to address recommendation 1, attached for the Board’s consideration as Appendix B. To support progress on recommendations 2 (including 4 and 5) and 3, consultants were recently procured, and staff are launching work on those projects with their respective teams. Recommendation 6 is being addressed through the annual Fees and Charges update currently in progress.

Next Steps

An update will be provided to the Board on the delivery and progress of actions responding to the six recommendations of the Auditor General in Q4 2024.

Regards,

Sarah Iacoe (*she/her*)
Director, Strategic Operations and Board Relations – Vancouver Parks and Recreation

Copy to: PB Leadership Team
PB Communications



Appendix A Progress Update

Initial Follow-Up

Self-Assessed Progress in Implementing Recommendations

Audit of Park Board Revenue Management

As at: May 24, 2024

Date of Report Release: November 20, 2023

Self-assessment conducted by: The Vancouver Park Board, City of Vancouver

General 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.



Definitions

Self-Assessed Status Categories	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



Recommendations

Recommendation and Summary of Progress	Self-Assessed Status
Revenue-related objectives and framework	
<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>	Partially Implemented
<p>Actions taken, results and/or actions planned:</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>	Partially Implemented
<p>Actions taken, results and/or actions planned:</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>	



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.

Recommendation 3

Partially Implemented

The Park Board should strengthen its fee-setting processes by implementing a comprehensive fee-setting framework that includes:

- 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.

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.

Actions taken, results and/or actions planned:

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.

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.

Recommendation 4

Partially Implemented

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.

Actions taken, results and/or actions planned:

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.

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.

Revenue Performance Management Recommendations

Recommendation 5

Partially Implemented

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. Performance metrics should:

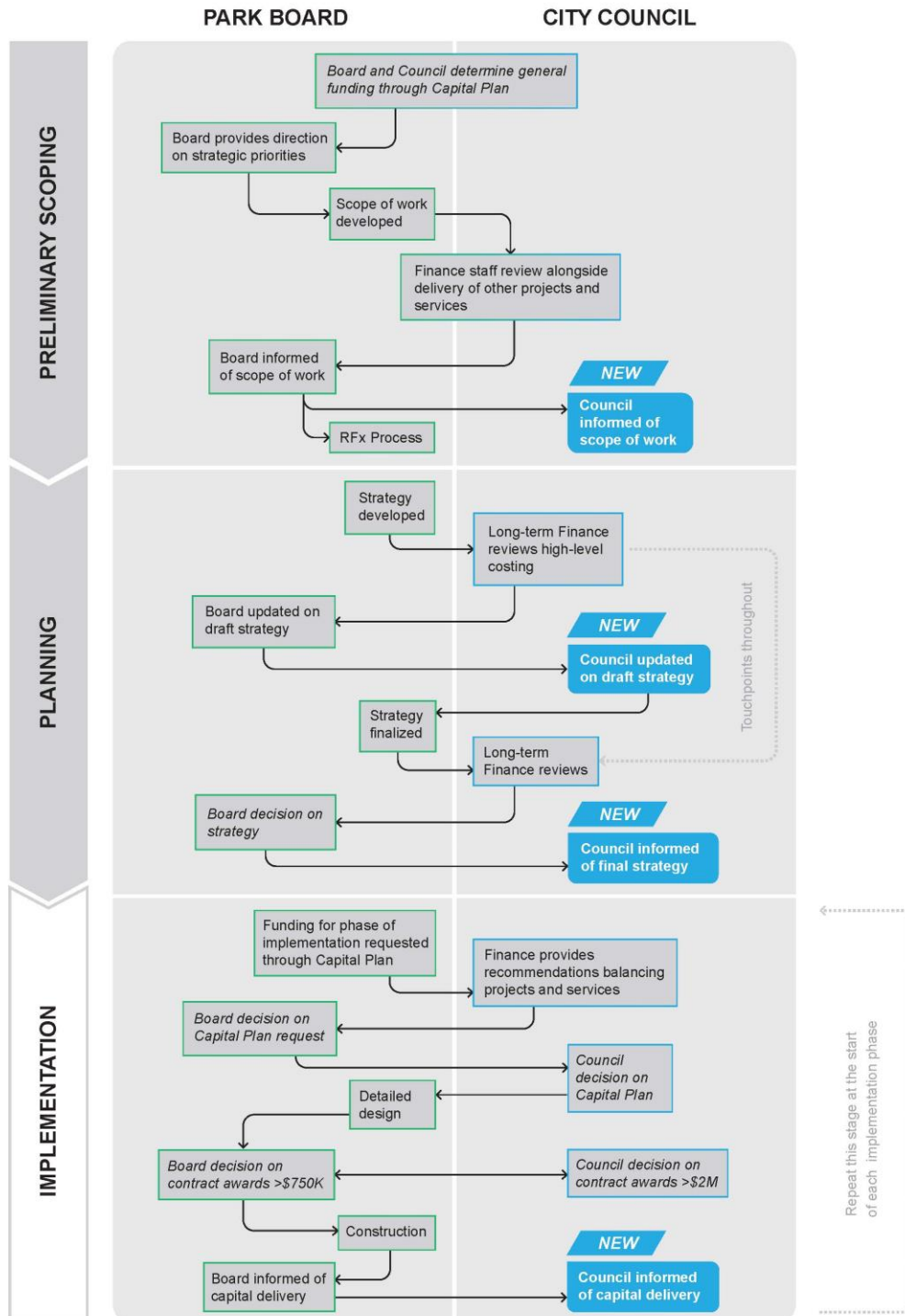
- Be meaningfully designed to align with the performance and strategic objectives of the service area;
- Have defined targets with timeframes for completion;
- Have defined intervals and audiences for reporting;
- Include up-to-date documented procedures for calculation; and,



<ul style="list-style-type: none"> • Include a process to ensure that performance metrics are accurately calculated. 	
<p>Actions taken, results and/or actions planned:</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>Actions taken, results and/or actions planned:</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>	

Appendix B Process Map

BETTER ENGAGEMENT WITH COUNCIL - PROCESS MAP ALIGNING STRATEGIC PRIORITIES WITH FUNDING COMMITMENTS



APPENDIX B



Appendix B Standard Operating Procedure

Better Engagement with Council Proposed Standard Operating Procedure

Scope: For the development of plans and strategies with potential to increase funding requests for their relevant sub-service areas.

Purpose: As recommended in the Audit of Park Board Revenue Management approved by the Vancouver Board of Parks and Recreation (Park Board) in November 2023, a process for Park Board to proactively engage Vancouver City Council (Council) in its strategic planning to secure necessary funding for long-range plans and strategies.

Roles and Responsibilities:

Phase	Park Board	Council
Preliminary Scoping	Decider on Capital Plan recommendations for Parks and Recreation. Informed of scope of work.	Decider on Capital Plan for CoV and funding envelope. Informed of scope of work.
Planning	Consulted on draft strategy. Decider on final strategy.	Consulted on draft strategy. Informed of final strategy.
Implementation	Decider on implementation request for Capital Plan. Decider on contract awards over \$750K. Informed of capital delivery.	Decider on Capital Plan for CoV and funding envelope. Decider on contracts awards over \$2M value. Informed of capital delivery.

Procedure:

Preliminary Scoping

- Park Board decides on recommendations for Capital Plan funding for parks and recreation, including general funding for plans and strategies.
- Council decides on Capital Plan, including general funding for parks and recreation plans and strategies.
- Park Board provides direction on strategic priorities to meet emerging needs.
- Park Board staff develop a scope of work for specific strategic priority.
- Finance and other staff review scope of work alongside other projects and services.
- Park Board is informed of scope of work.
- ***NEW** Council is informed of scope of work.



- An RFX process procures a consultant, if required.

Planning

- Park Board staff develop strategy based on scope of work.
- Long-term Finance staff reviews high-level costing developed in strategy and remains engaged through process.
- Park Board is updated on draft strategy progress.
- ***NEW** Council is updated on draft strategy progress.
- Park Board staff finalize strategy.
- Long-term Finance reviews finalized strategy.
- Park Board decides on strategy.
- ***NEW** Council is informed of final strategy.

Implementation

- Park Board staff request funding for a phase of implementation through Capital Plan process.
- Finance staff provides recommendations balanced with other projects and services.
- Park Board decides on Capital Plan request for implementation phase.
- Council decides on Capital Plan.
- Park Board staff develop detailed design.
- Park Board decides on contract award if over \$750K; additionally, Council decides if contract award is over \$2M.
- Park Board is informed of capital delivery when contract is complete.
- ***NEW** Council is informed of capital delivery when contract is complete.
- *Implementation steps are repeated at the start of each major phase of implementation, which may span successive Capital Plans.*