

March 14, 2025

Members of the Vancouver Police Board (VPB) Finance Committee,

At the request of the VPB Finance Committee, the City of Vancouver Internal Audit Division has reviewed the Vancouver Police Department (VPD) Statement of Recoveries and Expenditures as at December 31, 2024. VPD management is responsible for the preparation and fair presentation of this information, and for implementing the necessary internal controls to prepare financial statements that are free from material misstatement, whether due to fraud or error.

**Work Performed**

The following specified audit procedures were performed:

- Agreed the financial information to the records and accounts in the general ledger of the City of Vancouver;
- Reviewed the working papers prepared by VPD management for any reclassifications;
- Discussed and analyzed the financial information for reasonableness and consistency with corporate accounting policies;
- Performed variance analysis based on the Council approved budgets and obtained explanations from VPD management where appropriate;
- Inquired as to the accounting, budget and other internal controls that provide reasonable assurance that transactions are properly authorized and accurately recorded, and that the assets of the VPD are properly safeguarded and accounted for thereby maintaining the integrity of financial records; and
- Inquired and received written representation from VPD management to identify any deviations from accounting policies and procedures that would affect the integrity of the Statement of Recoveries and Expenditures.

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

**Conclusion**

Based on the work performed, it is our opinion that VPD's Statement of Recoveries and Expenditures as at December 31, 2024 (Appendix 1) is fairly presented and in compliance with VPD's policies and practices. The statement was prepared in all material respects, consistent with the City's corporate accounting policies and agreed to the City's general ledger.

Details of our findings and recommendations are appended in Section A below.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Fuellbrandt".

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Carmen Fuellbrandt, CPA, CMA, CIA  
Chief of Internal Audit

## **A. FINDINGS & RECOMMENDATIONS**

VPD's Procurement Policy aims to maximize the economy, efficiency, effectiveness and sustainability in the purchase of goods and services. Under this policy, three comparable quotes must be obtained for purchases totaling between \$5,000 and \$75,000. Purchases between \$75,000 and \$2,000,000 require a public call.

Of the 20 non-salary and benefit expenses sampled, two did not follow the above procedure. While both purchases totaled between \$5,000 and \$75,000, no comparable quotes had been obtained in either case. Operational reasons were provided to explain why the exceptions were made. However, it is unclear whether these exceptions were valid and approved as documentation was not available to support this.

### **Recommendation:**

**A.1.1 The VPD Senior Director of Financial Services should remind all managers of the requirements in the VPD's Procurement Policy, including those around exceptions to the competitive process (permitted sole source). This should be completed by June 30, 2025.**

### ***Management Response:***

☒ Agree with the findings

☒ Agree with the recommendations

☐ Disagree with the findings

☐ Disagree with the recommendations

### ***Management Action Plan:***

*A.1.1 VPD Financial Services regularly provides comprehensive financial and budget training sessions. These sessions cover key topics such as purchase authorities, financial limits, and the competitive procurement process, including permitted sole sources. Additionally, verbal reminders of the procurement process are periodically delivered during the Senior Leadership Team meetings.*

## Appendix 1

### VANCOUVER POLICE DEPARTMENT STATEMENT OF RECOVERIES AND EXPENDITURES FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
<b>RECOVERIES</b>				
Cost Recoveries, Grants & Donations				
Sworn Overtime Recoveries				
Third Party Events	(\$11,139,772)	(\$5,789,460)	\$5,350,312	
Overtime	(636,273)	(512,500)	123,773	
Total Sworn Overtime Recoveries	(11,776,045)	(6,301,960)	5,474,085	
Secondments	(17,343,828)	(19,774,601)	(2,430,773)	
Grants & Donations	(1,834,901)	(1,500,000)	334,901	
Government	(4,960,837)	(1,230,000)	3,730,837	
Fees for Service	(1,886,018)	(2,186,299)	(300,281)	
Other	38,289	(362,400)	(400,689)	
<b>TOTAL RECOVERIES</b>	<b>(37,763,340)</b>	<b>(31,355,260)</b>	<b>6,408,080</b>	<b>20.4%</b>
<b>EXPENDITURES</b>				
<u>Salaries and Benefits</u>				
Sworn				
Salaries	\$204,144,569	\$216,696,730	\$12,552,161	
Overtime	36,880,491	23,250,430	(13,630,061)	
Secondment Overtime	1,790,595	1,995,975	205,380	
Entertainment District Overtime	1,409,139	1,159,419	(249,720)	
	244,224,794	243,102,554	(1,122,240)	
Civilian Professionals				
Salaries	30,404,921	30,426,134	21,213	
Casual & Temp Salaries	8,498,919	7,414,843	(1,084,076)	
Overtime	1,653,142	1,383,346	(269,796)	
	40,556,982	39,224,323	(1,332,659)	
Statutory Holiday Pay	8,338,794	7,946,789	(392,005)	
Benefits	73,745,084	73,753,193	8,109	
<b>Total Salaries and Benefits</b>	<b>366,865,654</b>	<b>364,026,859</b>	<b>(2,838,795)</b>	<b>-0.8%</b>

**Appendix 1 (cont'd)**

**VANCOUVER POLICE DEPARTMENT  
STATEMENT OF RECOVERIES AND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
<i>Non-Salary Items</i>				
Equipment & Fleet				
Fleet	14,657,924	14,014,716	(643,208)	
Uniforms & Equipment	11,830,312	10,470,763	(1,359,549)	
Other	18,376	10,924	(7,452)	
	<u>26,506,612</u>	<u>24,496,403</u>	<u>(2,010,209)</u>	
Other Expenses				
Criminal Investigation Fund	3,238,710	3,571,203	332,493	
Travel & Training	4,081,200	3,223,066	(858,134)	
Community Policing Centres	2,271,629	2,352,550	80,921	
Other	3,671,864	3,626,050	(45,814)	
	<u>13,263,403</u>	<u>12,772,869</u>	<u>(490,534)</u>	
Professional Fees				
Legal	3,090,829	1,482,500	(1,608,329)	
Contract Services	5,126,665	5,296,336	169,671	
Nurses & Medical	2,332,082	2,613,990	281,908	
Other	333,260	209,900	(123,360)	
	<u>10,882,836</u>	<u>9,602,726</u>	<u>(1,280,110)</u>	
Facilities & Maintenance	3,570,890	3,270,241	(300,649)	
Supplies & Materials	3,722,200	4,385,710	663,510	
City Allocations	39,981,777	39,981,777	0	
Transfers	2,267,516	2,129,571	(137,945)	
<b>Total Non-Salary Items</b>	<b>100,195,234</b>	<b>96,639,297</b>	<b>(3,555,937)</b>	<b>-3.7%</b>
<b>TOTAL EXPENDITURES</b>	<b>467,060,888</b>	<b>460,666,156</b>	<b>(6,394,732)</b>	<b>-1.4%</b>
<b>TOTAL SURPLUS</b>	<b>\$429,297,548</b>	<b>\$429,310,896</b>	<b>\$13,348</b>	<b>0.0%</b>