
Administrative Response - Parks Service Levels and Asset Management Audit Report

Recommendation

That the report of the General Manager, Community Services Department, dated November 5, 2018, be received as information.

Topic and Purpose

The purpose of this report is to provide the Administration's response to the internal auditor's recommendations in the Parks Service Levels and Asset Management Audit Report.

Report Highlights

1. The Administration is in agreement with the internal auditor's recommendations, as presented in their internal audit report.
2. A resourcing request has been included as part of the 2019 Business Plan and Budget deliberations that, if approved, would provide resources that could be dedicated towards planning and implementing the audit recommendations.

Strategic Goals

This report supports the Strategic Goal of Continuous Improvement by identifying processes and procedures to improve the application of the Parks Division's service levels so that citizens can continue to receive a cost effective and consistent level of service. The Strategic Goal of Asset and Financial Sustainability is also supported through identified improvements to Parks Asset Management processes and procedures.

Background

An audit of the Parks Division's current strategies associated with Service Levels and Asset Management was conducted by the internal auditor as part of the 2017/18 Internal Audit Plan. The audit examined the extent to which the City of Saskatoon (City) is managing the strategic risk that "the City may not be investing sufficient funds in its parks infrastructure to maintain an acceptable condition and level of service."

At its December 4, 2017 meeting, the Standing Policy Committee on Finance approved the Statement of Work for this audit.

Report

Internal Audit Report Recommendations

The Parks Service Levels and Asset Management Audit Report contains 11 recommendations relating to the improvement of Service Level application and Asset Management efforts within the Division.

The recommendations identify the next steps that are required to support:

- 1) continued development of Parks Service Levels;
- 2) continued development of the Parks Asset Management Plan; and
- 3) effective design review, construction inspection, and park and open space turnover processes.

The Administration agrees with the recommendations in the report. Attachment 1, Response to Parks Service Levels and Asset Management Audit Recommendations, highlights the response and implementation timelines to each of the recommendations.

Current Resource Level

Parks does not currently have sufficient resources available to provide dedicated effort towards fulfilling all of the audit recommendations. Given current resource capacity and associated workloads, planning, implementation, and sustaining progress against all the auditor's recommendations would be challenging.

As part of the 2019 Business Plan and Budget deliberations, Parks has requested 1.0 Full Time Employee (FTE) for a Performance Improvement Coordinator position. This position will provide the necessary planning and process improvement that will allow Parks to begin to plan, implement and monitor progress against the auditor's recommendations. Part of the planning process will include outlining future human and technological capital and operating resources that will be required to sustain progress associated with the Response to Audit recommendations. Timelines associated with targeted implementation dates noted within the response are based upon approval of the 2019 FTE request described above. The proposed new FTE is funded within the Growth Allocation of the 2019 Parks Operating Budget.

Other Considerations/Implications

There are no policy, financial, environmental, Privacy, or CPTED implications or considerations. A communication plan is not required at this time.

Due Date for Follow-up and/or Project Completion

A follow-up report on the status of all audit recommendations will be presented to the Standing Policy Committee on Finance in late 2019.

Public Notice

Public Notice, pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachment

1. Response to Parks Service Levels and Asset Management Audit Recommendations

Report Approval

Written by: Darren Crilly, Director Parks

Approved by: Randy Grauer, General Manager, Community Services Department

Response to Parks Service Levels and Asset Management Audit Report

#	Recommendation	Administrative Response	Timeline
1	Parks should develop a set of key performance indicators (KPIs) against which it assesses its performance relative to existing service level targets and customer performance measures. Potential types of indicators that Parks could be mindful of as it develops its KPIs are service quality (citizen satisfaction measured by survey responses), operating cost (per capita measure of operating cost on a per resident and/or per park basis), and other KPIs which could be set to measure productivity of staff (operators) relative to the expected level of effort to deliver services and the actual effort (measured in time) taken to deliver the services.	Agree	Q4 2020
2	Parks should review and correct data input procedures for jobs, costs, and revenues to ensure they are appropriate and sufficiently capture accurate information needed to monitor progress against KPIs and budgets. More specifically, a) communicate to staff the need to use appropriate activity coding in time sheets and implement a monitoring process to ensure time is coded to the appropriate activity code; b) determine the level of detail required to be recorded in Timberline and TMA to provide meaningful reports and establish a monitoring process to ensure staff are consistently entering all the required details; c) implement a formal monthly reconciliation between the Timberline system and the general ledger; and d) enter all work activities into TMA (including special/unplanned work, for example to address citizen complaints) in order to capture the full effort and cost of service delivery.	Agree	Q4 2020
3	Parks should establish and document a formal procedure for tracking, monitoring, and reporting on progress against KPI's during the year and as part of an annual review process. For tracking and monitoring, consideration should be given to how the measure will be tracked and who will track it (i.e. Parks or Finance), who will monitor process against the KPI, who will receive the information once tracked, and what actions should be taken based on the tracked information. b) For reporting on performance, consideration should be given to how often the reporting should occur and to whom, the inclusion of explanations for significant variation between targets and actuals (with potential corrective action plans if necessary), and the style of reporting to clearly illustrate trends from year-to-year.	Agree	Q4 2020
4	Parks should perform a thorough review of its inventory to ensure that proper equipment (and the proper quantities of each type of equipment) is in place and that proper consideration be given to removing underutilized and less essential equipment in exchange for more essential, currently overutilized equipment.	Agree	Q4 2019
5	Parks should implement a process to monitor irrigation trouble reports to determine if they are addressed within 48 hours. Also, Parks should implement a process to re-prioritize other work, where needed and when possible, in order to ensure that the 48 hour target for responding to irrigation trouble reports is consistently met.	Agree	Q2 2020
6	Parks should coordinate with Fleet Services to implement the use of a formal work order system for the repair and maintenance process, with some central oversight, in order that the risk of negative service delivery resulting from delays and improper prioritization of repair and maintenance activities is minimized.	Agree - A service review specifically related to the maintenance of Parks equipment is currently being conducted by the Fleet Services area and will serve to identify resources and process improvement for improved service delivery.	Q4 2020

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7	Parks should further define its own requirements for maintaining and supporting asset management within Parks from both a human capital and technology perspective, in order to position itself to implement and support corporate asset management practices. In particular, non-park open landscape areas that are included in Parks' AMP need to be better identified for asset management planning.	Agree	Q2 2019
8	The Administration should work across operating divisions, including and starting with Parks, to establish a cross-functional working group for asset management. This would ensure coordination between corporate asset management activities and those taking place within individual functional areas. Given the significance of the assets being managed within Parks, it would be a logical starting point for the cross-functional working group and once established could be implemented in order areas of the organization.	Agree	Asset management is an ongoing process that will require continuous development and improvement over time.
9	Parks should establish controls over the completeness, accuracy, reliability and validity of their asset information and data. As a starting point, there are three specific items that would represent positive significant developments on this front:		
	a) Parks in coordination with Fleet Services, should perform a physical inventory count of Parks' vehicles and equipment in order to update/validate the current data in the M5 system. Going forward, Parks should coordinate with Fleet Services to confirm on a period basis the quantity, condition and storage location of its equipment and vehicles.	Agree	Q3 2019
	b) Parks, in coordination with Fleet Services, should implement a process for having all information regarding repairs and maintenance (both cost of time and parts) recorded in the M5 system for each individual asset as repair and maintenance work is performed on that asset.	Agree - This would be addressed through Recommendation #6 implementation of a formal work order system.	Q4 2020
	c) Whether Parks uses Excel or Access to record and maintain the Parks and Open Space inventory listing, data loss prevention and protection controls need to be implemented to ensure the integrity of the data. For example, there should be password requirements to prevent users without a business need from accessing the listing and a backup process should exist to protect the accidental loss of data.	Agree	Q4 2019
	d) Parks, in coordination with Finance, should implement a method of verifying all counts are actually performed by staff at the start of the season and that all completed checklists are provided to Finance.	Agree	Q3 2019
	e) Parks, in coordination with Major Projects and Preservation, should consider transitioning data into the SQL Server/ESRI system currently being utilized by Major Projects and Preservation, which will allow for a more reliable tracking mechanism until such time as asset management improvements can be considered from the new forthcoming ERP system.	Agree	Q4 2020
10	Parks should review and refine landscape amenity levels and approval processes associated with Landscape Design and Development Standards. This review will require the involvement of various internal and external stakeholders and should include updating the Landscape Design and Development Standards to reflect community needs and best practices. Within this review, consideration should be given to develop a process to limit risk and additional costs associated with developers requests to exceed City standards and/or park development schedules. This will assist in holding developers accountable for adhering to existing City standards and also reduce the risk of Parks incurring cost overruns to maintain required service delivery standards at new parks once transitioned to Parks from developers.	Agree	Q3 2020

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11	<p>Parks' operating impact calculations have historically been calculated on an annual basis, using a three-year rolling average, for purposes of the budget request process. A risk exists that this calculation may underestimate the actual costs in a given year due to the basis for the calculation being historical information. Parks has an opportunity for manual override if it is determined that the figure rendered by the calculation is misrepresentative of potential actual cost, however an annual review of all rolling averages for appropriateness would reduce the risk of underestimating the budget request (particularly for new parks which typically have higher costs in their first years). This annual review and re-calculation becomes particularly important to Parks ability to maintain parks to service level expectations as the City moves toward multi-year budgeting.</p>	Agree	Q2 2019