

PARKS - URBAN FORESTRY AUDIT

EXECUTIVE SUMMARY

The City Auditor's Office issued the Parks - Urban Forestry Audit Report to Administration on July 13, 2016. The report includes Administration's response to four recommendations raised by the City Auditor's Office to further strengthen current processes. Administration accepted four of five recommendations and has provided commitment to implement action plans by December 31, 2017. The City Auditor's Office will track the implementation of these commitments as part of our on-going follow-up process.

RECOMMENDATIONS

1. That Audit Committee receive this report for information; and
2. That Audit Committee recommend that Council receive this report for information.

PREVIOUS COUNCIL DIRECTION / POLICY

Bylaw 30M2004 (as amended) established the position of City Auditor and the powers, duties and functions of the position. Under the City Auditor's Office Charter, the City Auditor presents an annual risk-based audit plan to Audit Committee for approval. The City Auditor's Office 2016 Annual Audit Plan was approved on December 10, 2015. The City Auditor is accountable to Council and subject to the oversight of Audit Committee under Bylaw 48M2012 (as amended).

BACKGROUND

This audit was undertaken as part of the approved City Auditor's Office 2016 Annual Audit Plan. The objective of this audit was to provide assurance on the effectiveness of the management of The City of Calgary's (The City's) investment in trees. We assessed the effectiveness of the controls related to Urban Forestry's procedures, systems and process that support effective monitoring and maintenance of public trees.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

There are over 590,000 public trees in Calgary, and the Urban Forestry (UF) division is responsible for their care and maintenance. In September 2014, a late summer snowstorm ("Snowtember") struck the City and caused tree losses and damages. The damage to public trees was estimated by Parks to be a loss of biomass equivalent to 240,740 trees. In 2015, The City provided a one-time budget net increase of \$35.5 million (for the budget cycle 2015-18) to Parks' Urban Forestry for recovery and restoration efforts.

The audit focused on UF's processes and associated controls around tree maintenance, tree incident response, and urban forestry cost management. Post-"Snowtember", overall tree activity significantly increased, particularly tree planting, which is expected to lead to associated demand in tree care and maintenance required to support tree establishment until at least 2022. After 2018, UF budget is expected to return to pre-"Snowtember" levels.

The audit confirmed the survival rate target in the first five years after planting (85%) were reached for trees planted or received in 2010. However, our audit could only provide limited assurance that public trees receive sufficient maintenance and monitoring throughout their

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complete lifecycle. Recent plans to accelerate tree planting with limited budget and FTE resources creates a demand for greater precision in planning and forecasting activities.

We raised recommendations to utilize existing available data by collecting key data consistently and storing the data in a central location to allow evaluation. Increased UF oversight will provide rigor to this collection process by monitoring the data required, data collected, and identifying any gaps or discrepancies. Once in place, this will support UF's analysis of tree activity to be more effective, driving efficiency and cost effective solutions through activity based costs by supporting trees to maturity through scheduled maintenance.

As the recovery and restoration efforts following "Snowtember" are in a relatively early stage of execution, we believe that the implementation of these controls will enhance the effectiveness of the procedures to maintain and grow the urban forest.

Stakeholder Engagement, Research and Communication

This audit was conducted with Parks' Urban Forestry division acting as the principal audit contact within Administration.

Strategic Alignment

Audit reports assist Council in its oversight of the City Manager's administration and accountability for stewardship over public funds and achievement on value for money in City operations.

Social, Environmental, Economic (External)

N/A

Financial Capacity

Current and Future Operating Budget:

N/A

Current and Future Capital Budget:

N/A

Risk Assessment

The activities of the City Auditor's Office serve to promote accountability, mitigate risk, and support an effective governance structure.

Parks' Urban Forestry division is responsible for the monitoring and maintenance of The City's public trees. Recently, a one-time budget increase was provided to fund restoration and recovery efforts following "Snowtember". The increase in tree activity (tree planting and associated maintenance) places a greater demand on current resources. Strengthening data collection practices and operating procedures for tree activities will assisted UF in planning and forecasting tree maintenance activities.

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REASONS FOR RECOMMENDATIONS:

Bylaw 48M2012 (as amended) states: "Audit Committee receives directly from the City Auditor any individual Audit Report and forwards these to Council for information."

ATTACHMENT

AC2016-0590 Parks- Urban Forestry Audit