

COUNCIL REPORT – OFFICE OF THE CITY AUDITOR

Edmonton

CITY GOVERNANCE OF FORT EDMONTON PARK AUDIT

RECOMMENDATION

That the October 21, 2022, Office of the City Auditor report OCA01510, be received for information.

Report Purpose

Information only.

Executive Summary

This report presents the results of the City Governance of Fort Edmonton Park audit.

REPORT

Fort Edmonton Park is a living museum and tourist attraction that includes more than 80 original and reconstructed historical structures representing the history of Edmonton. The City owns the land, buildings and artifacts in Fort Edmonton Park.

In 2009, City Council approved the creation of the Fort Edmonton Management Company to operate and manage Fort Edmonton Park. City Council set the mandate and long-term strategic goals for the Fort Edmonton Management Company. The City is the sole shareholder of the Fort Edmonton Management Company, with the City Manager acting as proxy.

The City has an agreement with the Fort Edmonton Management Company to manage and operate Fort Edmonton. The Community Recreation and Culture Branch is responsible for managing this agreement. In 2021, the City provided \$4.2 million in operational funding to the Fort Edmonton Management Company.

CITY GOVERNANCE OF FORT EDMONTON PARK AUDIT

The objectives of the City Governance of Fort Edmonton Park audit were to determine if the Community Recreation and Culture Branch:

- Has a governance framework for Fort Edmonton that achieves the long-term strategic goals set out by City Council.
- Is managing the City's support of Fort Edmonton at the appropriate level.

The Office of the City Auditor found that the governing documents for the Fort Edmonton Management Company are outdated and have unclear roles and responsibilities. As well, the City's management agreement with the Fort Edmonton Management Company includes unclear roles and responsibilities, funding approaches and service provisions.

The Office of the City Auditor also found that the management agreement is unclear on what the City should include in the revenues and expenditures used to calculate the operational funding it gives the Fort Edmonton Management Company and how the City should distribute the funds. As well, there is a lack of detail around the services provided by the City to the Fort Edmonton Management Company and the total costs of these services.

The Office of the City Auditor made the following recommendations to the City Manager:

- Facilitate the updating of the Fort Edmonton Management Company governance documents to set clear long-term strategic goals.
- Clarify the roles and responsibilities of the various stakeholders involved in Fort Edmonton Park.
- Clarify the City's approach to funding the Fort Edmonton Management Company.
- Develop detailed agreements for the services the City provides to the Fort Edmonton Management Company.

POLICY

Bylaw 16097, Audit Committee Bylaw, Section 14(d) states that, "Committee will review all reports from the City Auditor dealing with completed audit projects."

ATTACHMENTS

1. City Governance of Fort Edmonton Park Audit Report