

ADMINISTRATIVE RESPONSE TO CITY GOVERNANCE OF FORT EDMONTON PARK AUDIT

RECOMMENDATION

That the October 21, 2022, Community Services report CS01484, be received for information.

Requested Council Action	Information only		
ConnectEdmonton's Guiding Principle	ConnectEdmonton Strategic Goals		
CONNECTED This unifies our work as we achieve our strategic goals.	Healthy City		
City Plan Values	ACCESS. PRESERVE.		
City Plan Big City Moves		Relationship to Council's Strategic Priorities	Conditions for service success
Corporate Business Plan	Managing the corporation		
Council Policy, Program or Project Relationships	N/A		
Related Council Discussions	N/A		

Executive Summary

- The Office of the City Auditor completed an audit of the City's governance at Fort Edmonton Park.
- The audit findings concluded that while the governance framework is generally consistent with best practices, the governing documents for the Fort Edmonton Management Company (better known as FEMCo) who operate and manage the Park, are dated and have unclear roles and responsibilities.

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- The audit also found that the Management Agreement between the two organizations includes unclear roles and responsibilities, funding approaches and service provision.
- The Office of the City Auditor recommended that all governance documents be updated to: set clear long-term strategic goals, refine the roles and responsibilities of the various stakeholders, clarify the approach to funding, and that detailed service level agreements be developed.
- Administration accepts the auditor's findings and recommendations.

REPORT

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

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

The audit focus was the City of Edmonton's governance and how the Community Recreation and Culture Branch is managing, monitoring and coordinating Fort Edmonton Park's activities. An audit of Fort Edmonton Management Company (FEMCo) or its operations was not part of the audit.

The audit found that the governance framework of Fort Edmonton is generally consistent with best practices, however, the governing documents are outdated, and have unclear roles and responsibilities. As well, the management agreement between the City of Edmonton and FEMCo lacks clarity in roles and responsibilities, the funding approach and provision of services. The audit also notes that the long-term strategic goals of FEMCo are not aligned within the documents. Updating and improving these documents could lead to more certainty between the parties as to their respective roles and responsibilities.

The following recommendations were made:

Recommendation 1: We recommend that the City Manager facilitate the updating of the Fort Edmonton Management Company governance documents to set clear long-term strategic goals.

The Articles of Association and Memorandum of Association are important governance documents that created FEMCo and set long-term strategic goals for the company. Administration agrees that these documents are outdated and need to be aligned. Updated documents are also critical in helping to define roles and responsibilities that reflect current practice.

Administration will work with FEMCo to review and update the governance documents, which will require approval of Council as Shareholder. The first step will involve collaborating with FEMCo to review the current operating and partnership model, explore other possible models and determine the most effective model moving forward. Updating of the governance documents will follow in stages as appropriate. This would include seeking approval from Council as Shareholder

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where required on any changes to the operating and partnership model, Articles of Association and the Memorandum of Association.

Implementation Dates:

- Review of operating and partnership model: September 30, 2023
- Update the Articles of Association and Memorandum of Association: April 30, 2024
- Update the 2010 Fort Edmonton Park Master Plan and FEMCo Strategic Plan: December 31, 2024

Recommendation 2: We recommend that the City Manager clarify the roles and responsibilities of the various stakeholders involved in Fort Edmonton Park.

Administration agrees that clarifying the roles and responsibilities of the various internal and external stakeholders will provide appropriate accountability and oversight. Administration will work with FEMCo and other stakeholders to clarify roles and responsibilities in the appropriate governance documents including an updated Management Agreement. An updated Management Agreement would require Council, as Shareholder, approval.

Implementation Date: April 30, 2024

Recommendation 3: We recommend that the City Manager clarify the City's approach to funding the Fort Edmonton Management Company.

Administration will review, update and document the financial practices under the current model. As part of the work in Recommendation 1, a review of the current operating and funding models is required to determine the approach to a future funding approach. As stated in Administration's response to Recommendation 1 Council approval would be required for any changes to the operating and partnership model, including the funding approach.

Implementation Date: December 31, 2024

Recommendation 4: We recommend that the City Manager develop detailed agreements for the services the City provides to the Fort Edmonton Management Company.

Administration agrees that within the current operating model clarity on the services being provided, as well as the level of these services, is required.

The subject of service level agreements is being reviewed by Administration and Administration intends to work with FEMCo to complete the agreements.

As part of the work in Recommendation 1, a review of the operating and funding models is required. This will determine if service level agreements need to be further updated. Council approval is not required for these agreements.

Implementation Date: September 1, 2023

Budget/Financial Implications

There are no immediate financial implications from the audit recommendations. However, during the execution of the audit recommendations impacts to funding strategies and costs may occur.

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If significant cost impacts occur, they would be brought forward through the supplemental operating budget process.

COMMUNITY INSIGHT

Due to the nature of this audit, neither Administration or FEMCo have conducted any public engagement activities related to this report or its recommendations. However, as part of the process to update the governance documents, consultation with both internal and external stakeholders will be incorporated into the work. As well, when the Fort Edmonton Park Master Plan is updated, as noted in Recommendation 1, public consultation would be a requirement and an important step within this work.

GBA+

The City of Edmonton will work collaboratively with FEMCo on updates to the Articles of Association and the Memorandum of Association. The City will ensure a GBA+ lens is considered in the work to update these governance documents. Examples could include but would not be limited to:

- Expectation for diversity when appointing advisors and Board membership
- Consultation with Indigenous and multicultural communities as appropriate

In updating the Master Plan and FEMCo's Strategic Plan, a GBA+ Analysis will be an important consideration in the development of those governance documents.

Administration would note that as an organization, FEMCo has committed to Corporate Social Responsibility and Accessibility as two of its four strategic priorities. Examples of these commitments include:

- FEMCo has developed strong partnerships with the Confederacy of Treaty Six First Nations and the Métis Nation of Alberta and work together to honour the true history of the Indigenous people in Alberta.
- Historical programs are aligned with school curriculum and schools from across Alberta are welcomed to participate in programming focused on core heritage education and experiences.
- Efforts are being made to improve business performance that will allow the Park to offer improved pricing, making Fort Edmonton Park more affordable.
- Opportunities to improve transportation to and from the Park, parking and facility/grounds accessibility are all being explored by FEMCo and its partners.