

Committee of the Whole (2) Report

DATE: Tuesday, November 12, 2019

WARD(S): ALL

TITLE: INTERNAL AUDIT REPORT – FACILITY MANAGEMENT AUDIT

FROM:

Kevin Shapiro, Director of Internal Audit

ACTION: FOR INFORMATION

Purpose

To present to the Committee of the Whole the Internal Audit Report on the Audit of Facility Management.

Report Highlights

- The Facility Management department oversees 89 City of Vaughan properties, facilities and capital projects.
- The department delivers various support services which enable the day-to-day operation of buildings and the delivery of programs in a safe and effective manner.
- While the department has made significant progress on several initiatives over the past number of years, further improvements will be required to ensure risks related to the execution of the City's facility maintenance activities are efficiently and effectively mitigated, while better supporting the City's strategic plan and corporate initiatives.
- Management has developed action plans which will mitigate the identified risks and address the recommendations outlined in the report.
- Internal Audit will follow up with management and report on the status of management action plans at a future committee meeting.

Recommendations

1. That the Internal Audit Report on the Audit of Facility Management be received.

Background

The objective of the audit was to evaluate the adequacy and effectiveness of the internal controls, processes and procedures in place to mitigate the business risks associated with the execution of the City's maintenance strategies and programs.

The audit approach included a review of the strategic goals, objectives and oversight over facility maintenance, use of technology, a review of the procurement process, walkthrough of the facilities, review of City policies and procedures and interviews with staff and management.

The audit scope included Facility Management related activities that occurred in January 2018 to August 2019.

The audit scope did not include a review of the Corporate Security function.

Previous Reports/Authority

Not applicable.

Analysis and Options

The Facility Management department oversees 89 City of Vaughan properties, facilities and capital projects. This represents approximately 2 million square feet of service space, outdoor water play features, park walkway and sports field lighting.

Facility Management delivers various property and facility operations management support services which enable the day-to-day operation of buildings and the delivery of programs in a safe and effective manner. The responsibilities include security, property/building management, engineering services, space planning and other support duties. This is achieved by effectively maintaining and preserving buildings and equipment, responding to requests for repairs and other services, as well as supervising third party vendors that provide various services including maintenance and repairs.

Maintenance is one of the most significant expenses related to owning a building and generally includes three primary interconnected activities:

- Preventative maintenance: scheduled, routine, and recurring maintenance to prevent breakdowns and mitigate deterioration.
- Corrective repair: work required to correct a non-emergency deficiency.
- Emergency corrective repair: work performed to immediately correct a problem that poses a threat to building security or public safety.

The services provided by Facility Management are intended to ensure City-owned buildings are safe and functional over their expected life. This is particularly important since the City's facilities are vital for public safety, necessary for government business, and heavily used by residents.

Financial Impact

There are no direct economic impacts associated with this report.

Broader Regional Impacts/Considerations

Not applicable.

Conclusion

The Facility Management department has achieved several accomplishments over the last few years, including:

- Completing condition assessments on City owned facilities.
- Developing service level agreements to facilitate operational efficiency through collaboration.
- Strengthening the City of Vaughan's commitment to environmental stewardship through innovative energy reduction initiatives and sustainable practices.

While the department has made significant progress on several initiatives over the past number of years, further improvements will be required to ensure risks related to the execution of the City's facility maintenance activities are efficiently and effectively mitigated, while better supporting the City's strategic plan and corporate initiatives.

In July, a new portfolio called Infrastructure Development was created to deliver on projects and infrastructure from "cradle to grave" with the purpose of creating a clear line of accountability, capacity and focus to deliver on results. Facility Management was moved from the Community Services portfolio to join this new portfolio. This change has presented the City with the following opportunities:

- Ensuring roles and responsibilities with respect to facility maintenance are appropriately aligned to better support corporate objectives and decision making.
- Developing and implementing a risk based preventative and predictive maintenance program.
- Improving the management and administration of lease and license agreements at City owned facilities.
- Acquiring the appropriate tools and resources to improve department planning, business processes and service delivery.

For more information, please contact: Kevin Shapiro, Director of Internal Audit, ext. 8293

Attachments

1. Internal Audit Report – Facility Management Audit

Prepared by

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