



Audit Topic 2 – Report 1 (September, 2015)



LOCAL GOVERNMENT
PERFORMANCE IN
MANAGING POLICING
AGREEMENTS AND
POLICE BUDGET
OVERSIGHT

City of Surrey

**A Performance Audit carried out by the Office of the
Auditor General for Local Government of British Columbia**

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MESSAGE FROM THE ACTING AUDITOR GENERAL FOR LOCAL GOVERNMENT

I want to thank the City of Surrey for its cooperation during the performance audit process and its positive response to our findings and recommendations.



2.1.1 I am pleased to present this performance audit report on the City of Surrey's management and utilization of the Municipal Police Unit Agreement (MPUA) and its police budget oversight.

2.1.2 I want to thank the City of Surrey for its cooperation during the performance audit process and its positive response to our findings and recommendations.

2.1.3 The office of the Auditor General for Local Government was established to strengthen British Columbians' confidence in their local governments' stewardship of public assets and the achievement of value for money in their operations. One of the ways we do this is by conducting performance audits of local government operations.

2.1.4 Our performance audits are independent, unbiased assessments, carried out in accordance with professional standards. They aim to determine the extent to which the area being examined has been managed with due regard to economy, efficiency and effectiveness.

2.1.5 This report outlines our findings in assessing the City of Surrey's management of its MPUA and police budget oversight. As such, it is an audit of the City's utilization of the provisions set out within the MPUA implemented in 2012 between the City of Surrey and the

Province to improve police services. The report is not an audit of criminal activities in Surrey nor is it an audit on the Surrey RCMP Detachment's operations.

2.1.6 We intend to generally address measuring the effectiveness of policing separately through an AGLG Perspectives booklet aimed at providing all local governments with tools and advice on policing services performance measurement to help them assess and – where necessary – improve their oversight of policing services and their management of police agreements and police budget oversight.

2.1.7 Our hope is that this audit report, along with the forthcoming AGLG Perspectives booklet, will assist the City of Surrey, and others, in enhancing their management of police agreements and oversight of the police budget.

A handwritten signature in black ink, appearing to read 'Arn van Iersel', written in a cursive style.

Arn van Iersel, FCPA, FCGA
Acting Auditor General for
Local Government

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EXECUTIVE SUMMARY

2.1.8 We undertook performance audits on local government management of police agreements and police budget oversight because police service expenditures are a major expense for all local governments in British Columbia. We selected the City of Surrey as one of six local governments to audit on this topic because we sought to include a cross-section of local governments with various locations, sizes and other circumstances. This number was later reduced to five with the City of Victoria's implementation of a new policing agreement in April 2014 which effectively surpassed our planned review.

2.1.9 Policing is often a high risk operation that a municipality is responsible for and it is also one of the most expensive. For those two reasons alone, we believe municipalities should pay special attention to their oversight of policing agreements and policing costs. By exercising good governance over policing, a local government can be satisfied that its police service priorities are aligned with the community's and that the police service is carrying out its operations knowing it has the confidence of the citizens, through their elected representatives.

2.1.10 Many of the larger police forces across Canada have faced significant expenditure increases, at a much faster pace than inflation, in spite of the long-term trend of declining rates of crime and serious motor vehicle accidents.

2.1.11 Although policing can be an extremely complex enterprise that continues to increase in complexity, it should not be immune from fiscal accountability. Local governments should expect their police service to justify expenditures of public money, seek efficiencies, and provide accurate and timely budget reporting.

2.1.12 Our report does not examine the linkage between policing and crime, whether the Royal Canadian Mounted Police (RCMP) contract policing or independent policing is the best model, or whether Surrey has enough police.

EXECUTIVE SUMMARY

We expect local governments to understand and fully utilize their policing agreements and exercise effective budget oversight within their authorities under the agreement to continue to enhance policing services.

Our Expectations

2.1.13 We expect local governments to understand and fully utilize their policing agreements and exercise effective budget oversight within their authorities under the agreement to continue to enhance policing services.

2.1.14 This requires that the local government understand and be actively involved in several key areas, consistent with their authorities in the 2012 RCMP Municipal Police Unit Agreement which fall under the following categories:

- Priority-setting;
- Oversight;
- Effectiveness;
- Cost-control; and,
- Performance assessment.

2.1.15 These responsibilities entail establishing sound management practices including monitoring of budgets, establishing cost containment objectives and setting service levels to receive appropriate policing services, while respecting the independence of policing operations.

2.1.16 The need to respect police independence is important. The relationship between government and police is complex, and exists within a democratic system of government. Police forces are not under the direct control of elected officials because they must be able to conduct investigations and maintain order independently, without political or other influence, and be able to exercise authority to preserve the peace, protect the public and enforce the law effectively. However, police independence is balanced against accountability to the public and to civilian authority through the *Police Act*, the RCMP policing agreements and other legal frameworks.

What We Examined

2.1.17 Our objective was to determine whether the City of Surrey effectively and efficiently managed its Municipal Police Unit Agreement with the Province that provides for policing services to be delivered by the Royal Canadian Mounted Police (RCMP) and conducted appropriate police budget oversight.

2.1.18 Our examination work was substantially completed in 2014.

EXECUTIVE SUMMARY

We found the interrelationship between oversight, accountability and performance management to be relatively strong. We also found opportunities to enhance governance processes as a means of strengthening overall city stewardship of policing services.

What We Found

2.1.19 With public governance, there is an interrelationship between oversight, accountability and performance management.

2.1.20 In Surrey, we found this interrelationship to be relatively strong with an appropriate level of oversight at the Police Committee and staff level, robust planning, reasonable financial controls contributing to annual police budget surpluses, and attention paid to results. We also found there are opportunities to enhance governance processes as a means of strengthening overall city stewardship of policing services.

Oversight

2.1.21 We found that the level of oversight provided by members of the Police Committee could be enhanced through the provision of training and orientation to incoming members as well as the provision of key operational and financial information to the committee as a whole. These practices can promote well-informed and productive discussions between the City and the RCMP Detachment, primarily as it relates to detachment size and staffing as well as performance management. While not everything is in the City's control, it is important to express their views and influence decision making, to the extent possible under the agreement.

Plans and Performance Measurement

2.1.22 We found that planning processes and planning products are relatively robust. We also found that plans could be enhanced through the consistent identification of resources necessary to achieve desired results. Further, information of this nature can also be analyzed to better understand staffing and deployment needs.

EXECUTIVE SUMMARY

Police Resource Levels

2.1.23 We found the understanding of detachment strength, and potentially the deployment of members has been improved through a review of resourcing models and identification of a made-in-Surrey approach based on a range of key and complex parameters, in particular the use of the Managing Police Performance (MPP) methodology since 2014. We were pleased to see considerable work on this continues, and we encourage the City and the Detachment to continue to work together to refine their police resourcing methodology moving forward.

Cost Management

2.1.24 We found a reasonably high level of financial monitoring is in place and close attention is being paid to cost drivers within the control of the City, the most significant one being requested additions or deletions to strength. As well, the City has moved from a deficit position to a surplus one during the period covered by the audit. Finally, we found that attention is paid to cost recovery initiatives and there may be opportunities for further cost savings such as management of overtime.

Conclusion

2.1.25 Overall, we found that the City of Surrey pays close attention to both financial and operational results, and importantly, that this focus has moved the City towards a results-based approach to the RCMP's delivery of policing services in Surrey, and we encourage the City to continue to build on this work.

2.1.26 Exhibit 1 shows the extent to which the City was aware of and took advantage of key improvements in the 2012 MPUA. Overall, we found that the City was aware of the improvements and used the new authorities available to it during the period covered by the audit.

EXECUTIVE SUMMARY

EXHIBIT 1: Scorecard Demonstrating the City of Surrey's Success in Managing the key MPUA Changes

<p>Partnership</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> A Local Government Contract Management Committee was established to address concerns regarding the MPUA. <ul style="list-style-type: none"> • The City is fully aware of this Committee and its role. The Mayor of Surrey is one of the Committee members, currently serving a three-year term. <input checked="" type="checkbox"/> A dispute-resolution process is embedded in the 2012 MPUA to allow for local government concerns to be addressed in a timely and systematic manner. <ul style="list-style-type: none"> • To date, the City has not needed to utilize this authority. <input checked="" type="checkbox"/> The local government has the right to be consulted in the selection of the Detachment Commander. <ul style="list-style-type: none"> • The City was involved in the most recent selection of the Detachment Commander (2012). 	<p>Accountability</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Vacancies and changes in rank must be reported to the local government. <ul style="list-style-type: none"> • The Detachment and the City communicate regularly about critical matters related to the RCMP, including organizational changes. <input checked="" type="checkbox"/> The local government has input into policing priorities with regular progress reporting from the Detachment Commander. <ul style="list-style-type: none"> • The City provides input into policing priorities through several processes, most notably: Input into the development and ongoing implementation of the Crime Reduction Strategy and the Five-Year Strategic Framework. <input checked="" type="checkbox"/> The Detachment Commander provides the local government with details regarding deployment of members, vacancies and reasons for vacancies, and changes in location/deployment. <ul style="list-style-type: none"> • The Detachment and the City communicate regularly about critical matters related to the RCMP, including organizational changes.
<p>Cost Containment</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> All cost items that local governments must pay are clearly articulated to improve accountability. <ul style="list-style-type: none"> • An established process is used to review the detailed RCMP budget. <input checked="" type="checkbox"/> The local government receives early notification of changes that have cost implications. <input checked="" type="checkbox"/> The Detachment Commander provides a five-year financial plan to local government, updated annually. <ul style="list-style-type: none"> • The City receives and reviews annual budgets and five-year forecasts for policing. 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> The Detachment Commander provides reports on complaints against the RCMP. <input checked="" type="checkbox"/> Any request by the local government for an increase or decrease in members must be satisfied within one year. <input checked="" type="checkbox"/> The local government can request a directed review of the Detachment to ensure the local government is receiving value for money. <ul style="list-style-type: none"> • To date, the City has not needed to utilize this authority.

EXECUTIVE SUMMARY

EXHIBIT 2: Summary of Recommendations

ISSUES	RECOMMENDATIONS
1. Oversight	The City of Surrey should continue to enhance its utilization and management of its authorities within the policing agreement by providing training to newly elected members of the Police Committee on their authorities and responsibilities under the agreement, including information on police performance management and staffing analysis.
2. Planning	The City of Surrey should enhance its policing-related planning by identifying the inputs required to implement policing strategies as part of its planning process.
3. Police Resourcing	<p>The City of Surrey should enhance its ability to assist in determining the appropriate level of police staffing by:</p> <ul style="list-style-type: none"> • examining the police resourcing models used in other large jurisdictions in Canada; and, • continuing to refine the Managing Police Performance (MPP) methodology for determining the appropriate detachment strength.
4. Managing Costs	The City of Surrey should enhance its ability to manage policing costs in co-operation with the RCMP by analyzing and increasing its understanding of factors influencing the level of overtime work by officers and helping to set targets for reduced overtime utilization as a cost saving measure.

INTRODUCTION

2.1.27 This report presents the results of a performance audit conducted by the Auditor General for Local Government of British Columbia (AGLG) under the authority of the *Auditor General for Local Government Act*.

2.1.28 We conducted this audit under two of six audit themes outlined in our 2013/14 – 2015/16 Service Plan: “Fiscal and Sustainability Planning, Capacity and Internal Operations” and “Emergency Management and Protective Services”.

2.1.29 Following our identification of audit themes we selected specific audit topics for audits launched during 2013/14, including the topic of this performance audit: “Local Government Performance in Managing Police Agreements and Police Budget Oversight.”

2.1.30 We identified this topic as a priority because policing is a major expense and a key operation for local governments in British Columbia and effective management of police agreements and oversight of police budgets may provide local governments with opportunities to contain costs.

2.1.31 We selected six local governments to audit on this topic and work began on all six simultaneously. This was later reduced to five as mentioned in the executive summary.

Section 3(1) and (2) of the *Auditor General for Local Government Act*:

3 (1) The purpose of the auditor general is to conduct performance audits of the operations of local governments in order to provide local governments with objective information and relevant advice that will assist them in their accountability to their communities for the stewardship of public assets and the achievement of value for money in their operations.

3 (2) A performance audit conducted under this Act by the auditor general consists of

(a) a review of the operations of a local government, as the operations relate to a matter or subject specified by the auditor general, to evaluate the extent to which

(i) the operations are undertaken economically, efficiently and effectively,

(ii) financial, human and other resources are used in relation to the operations with due regard to economy and efficiency,

(iii) the operations are effective in achieving their intended results, or

(iv) procedures established by the local government are sufficient for the local government to monitor the economy, efficiency and effectiveness of those operations, and

(b) recommendations to the local government arising from the review referred to in paragraph (a).

EXHIBIT 3:
Excerpt from
the *AGLG Act*

INTRODUCTION

History of Police Services

2.1.32 The first police forces in B.C. were established by the colonies of Vancouver Island and B.C. in 1858. After the two colonies united in 1866 and entered Confederation in 1871, the police force became the British Columbia Constabulary which was later renamed the British Columbia Provincial Police (the “BCPP”).

2.1.33 In 1950, the BCPP was dissolved and the Province entered into a contract with the Government of Canada to have policing services provided by the Royal Canadian Mounted Police (RCMP). The RCMP has been providing contract policing in BC since then.

2.1.34 At this time, there are 12 municipalities in BC that are served by independent (non-RCMP) police forces. The remainder receive contract policing through the RCMP.

Authorized strength means the maximum number of positions a police department has been authorized to fill. This number includes the number of sworn members and sworn civilian members assigned to a detachment or department. It does not include civilian support staff, bylaw enforcement officers, auxiliary or reserve police officers.

Crime rate means the number of Criminal Code offences reported for every 1,000 permanent residents.

Criminal code offences means property, violent and other crimes (excludes drug and traffic offences based on BC Ministry of Justice data). This represents the number of crimes reported to or discovered by police; it does not represent the number of charges laid, prosecutions conducted, information sworn or convictions.

Case load means the number of Criminal Code offences divided by the authorized strength of local police. It is considered to be a useful indicator of demand for police services.

EXHIBIT 4: Definitions of Key Terms

CONTEXT

The City of Surrey

2.1.35 The City of Surrey was incorporated in 1879. Part of the Metro Vancouver Regional District, Surrey covers 316 square kilometres, which makes it the largest municipality in the region by area. Surrey is bordered by Delta on the west, New Westminister on the northwest, Coquitlam to the north, Maple Ridge to the northeast, Langley to the east, the United States border to the southeast and White Rock and the Pacific Ocean to the south and southwest.

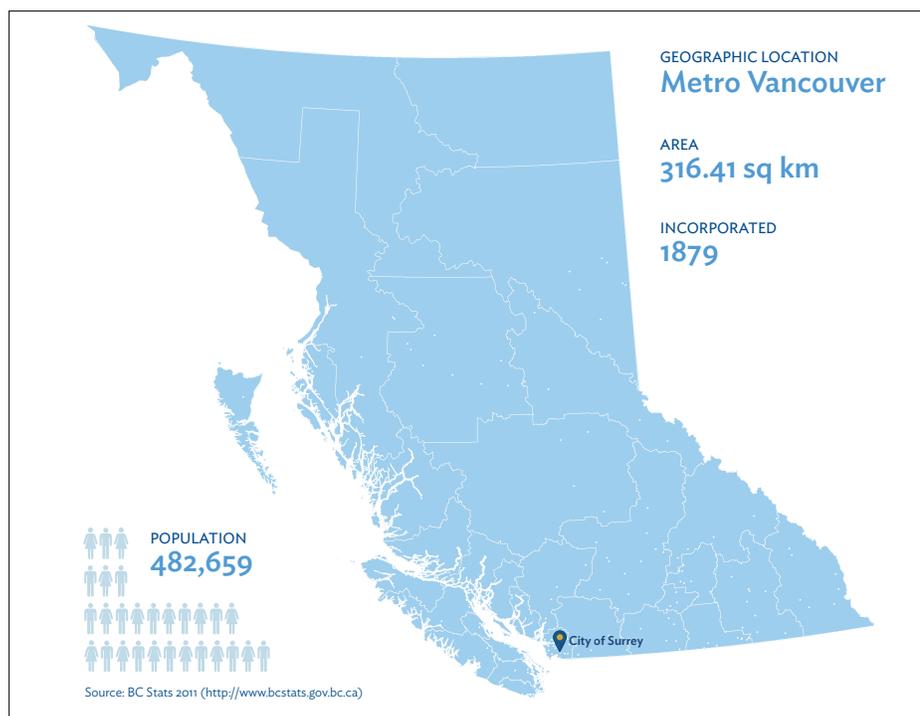
2.1.36 Surrey’s population was estimated at 482,659 in 2011, making it the second largest city in B.C. Surrey’s population is estimated to have grown by just over five

per cent between 2010 and 2013. This makes Surrey one of the fastest growing cities in the province.

2.1.37 Surrey has a dynamic and diverse population, with higher-than-average levels of immigration from other countries. Surrey’s cultural and linguistic diversity may increase the complexity and challenge of delivering community services, including policing.

2.1.38 Appendix 1 provides additional contextual details on policing services in B.C. and Surrey, including key crime statistics, policing costs and demographic characteristics.

EXHIBIT 5:
City of Surrey Visual Facts



FINDINGS

EXHIBIT 6: Changes in the 2012 Policing Agreement

Key changes in the 2012 Municipal Police Unit Agreement include the following:

Partnership

- A Local Government Contract Management Committee was established to address concerns regarding the agreement.
- A dispute-resolution process was established.
- The local government has the right to be consulted in the selection of the Detachment commander.

Accountability

- Vacancies and changes in rank must be reported to the local government.
- The local government has input into policing priorities with regular progress reporting from the Detachment Commander.
- The Detachment Commander provides the local government with details regarding deployment of members, vacancies and reasons for vacancies, and changes in location/deployment.
- The Detachment Commander provides reports on complaints against the RCMP.
- Any request by the local government for an increase or decrease in members must be satisfied within one year.
- The local government can request a directed review of the Detachment to ensure the local government is receiving value for money.

Cost Containment

- All cost items that local governments must pay are clearly articulated to improve accountability.
- The local government receives early notification of changes that have cost implications.
- The Local Government Contract Management Committee reviews any changes to Division administration costs prior to approval.
- The RCMP "E" Division provides a five-year financial plan to local government, updated annually.

2.1.39 Overall, we found that Police Committee members largely expressed satisfaction and confidence in the policing services provided by the RCMP in Surrey. Further, we found that the City of Surrey is largely aware of, and has exercised many of the new authorities and provisions available to it through the new RCMP contract framework. As a result, communication channels appear appropriate, key planning activities have been collaborative, and relevant and useful information is being exchanged.

2.1.40 We also found there are opportunities to enhance Police Committee oversight through increased awareness and flow of key information, as well as opportunities for more robust processes and information used in the determination of detachment strength and in reporting.

2.1.41 Further, we found a reasonable set of financial controls in place for budget forecasting and cost management as the City moved from annual cost overruns in the first two years reviewed to annual surpluses in the final two years of the period covered by the audit (2010-2013). Finally, we found that there may be cost containment opportunities, in cooperation with the RCMP, through the management of overtime costs.

FINDINGS

2.1.42 Our findings are based on our review of the City of Surrey's management of its policing agreement and police budget oversight, that is, the watchful care and guidance of policing resources. We reviewed the City's systems, practices and policies. We also reviewed relevant documentation and held discussions with key management and staff. Please see the section entitled *About the Audit*, near the end of this report, for further information on our audit scope and approach.

2.1.43 Many of our findings relate to how well the City is utilizing the new authorities and provisions available to it through the enhanced Municipal Police Unit Agreement (MPUA) introduced in 2012. Exhibit 6 outlines the key changes to the 2012 policing agreement. These provisions enable the City to:

- Contribute to the development of policing plans and priorities;
- Request staffing updates;
- Receive timely responses to all staffing requests;
- Request clarity from the RCMP around budgetary considerations;
- Receive information on complaints directed towards the Detachment; and,
- Request a directed review of the Detachment when necessary.

2.1.44 It is important for the City to be aware of and to effectively utilize the MPUA, as this will increase opportunities for stronger communication and engagement between the City and the RCMP, higher levels of accountability from the RCMP to the City, and enhanced ability for the City to understand and monitor costs associated with the RCMP contract.

RCMP Contract Framework

2.1.45 In 2012, the Province reached two agreements with the Federal Government for the RCMP to provide policing services in the Province. Under one agreement Canada provides the Provincial Police Service (PPSA). Under the second agreement Canada provides the Municipal Police Service (MPSA). Under the MPSA Municipal Police Units are assigned to various municipalities. The two agreements have a 20-year term and features changes to management and financial transparency provisions. In order to utilize the RCMP a municipality enters into a Municipal Police Unit Agreement (MPUA) with the Province.

FINDINGS

2.1.46 The new MPUA is intended to ensure a more cooperative and collaborative relationship among the contracted parties. This modernized relationship is reflected in strengthened accountability and enhanced reporting provisions, as well as the expanded role of the former Contract Advisory Committee into the new Provincial-Local Government RCMP Contract Management Committee (CMC) which focuses on the effective and efficient provision of policing services across the province.

2.1.47 The provincial and federal governments negotiated the new agreement to include tools for municipalities to better manage their policing services, help monitor and contain policing costs, and take a more direct role in policing.

2.1.48 Under the MPSA, the basic cost-sharing formula (see Appendix 1 for details) is similar to that contained in the previous agreement, while new measures have been added for municipalities to monitor and plan for costs. Provincial, federal and municipal governments jointly oversee how services are delivered and costs are managed over time.

2.1.49 The MPSA calls for a five-year review to gauge whether the contract is meeting the needs of the communities policed by the RCMP. The agreement also includes a requirement for increased financial reporting from the RCMP to local governments to encourage better alignment with municipal planning cycles.

FINDINGS

Oversight, Clarity of Roles and Communication

2.1.50 The 2012 MPUA provides the framework for the relationship between the local government and the RCMP. It is important for City staff to be aware of and understand the changes from the former agreement as these changes set the tone for a modernized partnership based on collaboration.

Key Players

2.1.51 We found that the City's senior management members who were directly responsible for aspects of the MPUA – the City Manager, the Finance and Technology General Manager and the Support Services Manager – had a good understanding of the authorities available to local governments under the new agreement and used those authorities that were relevant to their circumstances. This has contributed to effective relationship building between the City and the RCMP, which, in turn, supported the City's role in its oversight of the MPUA.

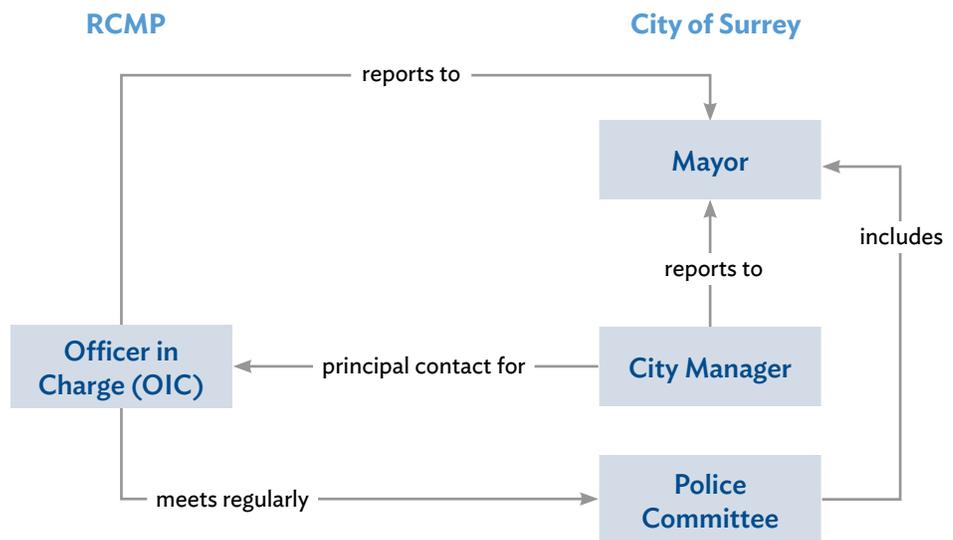
2.1.52 We also found that Surrey's financial planning and reporting processes supported the City's oversight role relating to the agreement. For example, processes were in place to ensure the City understood cost calculations and budget and variance analysis, which, in turn, enabled the City to provide thorough oversight relating to the MPUA.

FINDINGS

2.1.53 Finally, we found that the governance structure and related roles that manage aspects of the MPPA were clear. The Officer in Charge of the Surrey RCMP Detachment reports to the Mayor as Chief Executive Officer of the City. The City Manager served as the principal point of contact for the Officer in Charge, who also communicated regularly with Council through the Police Committee.

2.1.54 Under the new RCMP contract framework, we found that the City Manager had effective communication with the RCMP Officer in Charge through structured, formal processes related to financial and operational planning and execution, as well as informal communication on matters as they arose. The Officer in Charge also met monthly with senior City staff to review the budget.

EXHIBIT 7:
City of Surrey Reporting
Structure for Policing
Services



FINDINGS

We found that governance practices of the Police Committee could be enhanced to help the Committee more effectively contribute to police oversight and the appropriate provision of policing services to Surrey residents.

Police Committee

2.1.55 Surrey's Police Committee is integral to the City's approach to providing strategic direction to the RCMP. We found that governance practices of the Police Committee could be enhanced to help the Committee more effectively contribute to police oversight and the appropriate provision of policing services to Surrey residents.

2.1.56 The City's Police Committee was established in 1995 and is a standing committee of Council chaired by the Mayor. The committee's Terms of Reference (TOR) were updated in December 2013. The Officer in Charge interacts regularly with the committee, which is comprised of all eight Councillors and the Mayor. We found the committee met regularly to discuss policing and crime-related issues, and to provide Council oversight of the policing contract. The Committee also communicated residents' priorities and concerns to the Officer in Charge.

2.1.57 The MPPA was discussed at regular Council meetings leading up to Council's vote to accept the new agreement in 2012. However, we did not find any evidence that the Committee discussed the MPPA following its signing of the agreement with the Province.

2.1.58 The Police Committee received quarterly reports prepared by City management on the RCMP's performance

in implementing its strategic framework and received updates by RCMP on policing activities covering crime rates, crime severity, policing cost controls, staffing levels, programs and progress on major cases.

2.1.59 As per its terms of reference, the Committee discussed items referred by Council and made recommendations to the City. Based on interviews, we found that Police Committee members wanted more information and guidance on performance monitoring and workforce planning, such as methodologies used to determine police staffing levels.

2.1.60 City staff told us that the Council is provided quarterly financial reports on the RCMP operations including variance analysis. Our review of meeting minutes indicated that Committee members did not receive periodic financial updates, such as expenditures by cost category and their variance analysis, nor did they receive police staffing updates including vacancy rates and their financial and operational impacts.

2.1.61 Such information could enable greater understanding and insight into policing service delivery and associated risks, which would ultimately enhance their oversight capacity. As such, the police committee should discuss internally the type of financial and performance information they would like to receive regularly, and request this through the Mayor as Chair of the Police Committee.

FINDINGS

Community Policing Plans, Priorities and Services

2.1.62 The MPUA provides for the local government to have input into community policing plans and priorities, along with regular reports from the Officer in Charge on deliverables and results achieved.

2.1.63 We found that planning related to establishing policing priorities and initiatives was collaborative and included public engagement. Plans were relatively robust, with performance targets and reports on results achieved as well as a process for reporting to stakeholders.

2.1.64 We note that an established and broadly-accepted set of performance metrics for local governments to use when evaluating their policing services does not exist at this time. While this is recognized as a complex topic, there is significant and ongoing work being done on this. Several organizations and government agencies are working to establish such metrics, including Public Safety Canada and the BC Ministry of Justice. As noted earlier we plan to address this in a future

Perspectives Series booklet by identifying a possible performance metrics assessment framework for local governments to measure the effectiveness of their policing services.

Importance of Local Priority Setting

2.1.65 It is important that community stakeholders and residents have opportunities to provide input into policing priorities for their community and to provide feedback on the performance of their police service. In the absence of such input, community stakeholders may become disconnected with their police force and key community priorities related to public safety may not be addressed. We found that the City and the RCMP used several sound planning tools and processes to engage community stakeholders in the setting of policing priorities.

FINDINGS

Plans and Priorities for Policing

2.1.66 The Surrey RCMP’s service delivery model centres on crime reduction, with the following philosophies serving as cornerstones of the Detachment’s approach:

- Community Policing
- Intelligence-led Policing
- Integrated Policing

2.1.67 We encountered three key planning processes in Surrey: the Surrey *Crime Reduction Strategy*; the *Five-Year Strategic Framework*; and, the RCMP’s Annual Performance Plans. These were supplemented by regular community consultation sessions. Collectively, these “tools” guided the City and detachment in identifying and setting priorities.

2.1.68 We found that these processes provided for a relatively robust system, as shown in Exhibit 8, which outlines the information to be gathered and measured. Planning objectives were consistent across the three documents, priorities were established along with measures and targets, primary data sources were identified in most cases, there was consistent monitoring and reporting of results and the results were being used to inform, refine and augment plans and priorities. Collectively, this demonstrates that results-based policing was employed by the Detachment, in collaboration with the City. As mentioned earlier, we did not assess the relevance of the measures and targets with respect to quality and completeness.

EXHIBIT 8: Surrey Policing - Planning and Performance Management

PLAN	OBJECTIVES AND PRIORITIES	INPUTS (RESOURCES)	MEASURES AND TARGETS	DATA SOURCE	OUTPUTS AND RESULTS	RESULTS MANAGEMENT
Crime Reduction Strategy 2007	Yes	No	Yes	Unclear	Yes	Yes
Strategic Framework 2013-17	Yes	No	Yes	Yes	Yes	Yes
RCMP ANNUAL PERFORMANCE PLAN 2010-13	Yes	No	Yes	Yes	Yes	Unclear

FINDINGS

2.1.69 Crime Reduction Strategy: In 2007, prior to our audit review period, the City of Surrey published its *Crime Reduction Strategy*, in collaboration with the RCMP, the provincial and federal governments and Surrey residents. The development of the *Strategy* involved consultation with over 100 residents, representing 50 community groups. The framework for the *Crime Reduction Strategy* included four primary objectives:

- Reduce crime and increase community safety;
- Increase public involvement in reducing crime;
- Increase integration between all stakeholders involved in crime reduction; and,
- Improve public awareness around the reality and perception of crime.

2.1.70 We found that Surrey's *Crime Reduction Strategy* (2007) was still relevant during the period covered by this audit. The document was comprehensive and considered both the causes and effects of crime. During the audit period, the City had several committees implementing aspects of the *Crime Reduction Strategy*. The City produced an annual report that documented progress made in implementing the many initiatives contained in the *Strategy*. While the focus of this reporting was primarily on outputs (completion of specific activities), there was also some reporting of outcomes related to objectives such as a reduction in certain types of crime.

2.1.71 Five-Year Strategic Framework: Another tool that documented policing priorities for Surrey was the *Five-Year Strategic Framework* (2013 – 2017) developed in late 2012 and early 2013. The RCMP led the process to develop the *Framework* in conjunction with the City. This commenced with a strategic planning session led by the RCMP Surrey Detachment in late 2012. The City's management team participated in this session. The process also involved input from community stakeholders.

2.1.72 We reviewed the *Strategic Framework* and samples of monthly dashboards that report out on results and discussed how it was used by the City. We found that the *Strategic Framework* was, and still is today, forward-looking, with the aim to align the Surrey Detachment's activities and deployment of resources with policing priorities. For example, property crime, theft of and from vehicles in particular, was identified as having a significant impact on the overall property crime rate in Surrey. This led to an initiative aimed at a 5% reduction with concomitant resources deployed to implement the initiative.

FINDINGS

EXHIBIT 9: Panorama Ridge Initiative

Residents in the Panorama Ridge area were concerned with the number of break-and-enter incidents in their community. The City responded by meeting with the executive of the Panorama Ridge Ratepayers Association and implementing several actions to address the community's concerns.

These included:

- A door-to-door dialogue across the community to understand residents' perspectives.
- Installing street lights at key locations.
- Removing derelict buildings that were being used for criminal activities.
- Installing cameras at key locations to assist in gathering evidence about criminal activity.
- Redeploying outreach workers to the area to assist homeless people gain access to permanent housing.

A similar exercise was undertaken in the Newton area.

2.1.73 The five strategic priorities identified in the *Strategic Framework* include: Capacity Building – Our People, Community Safety and Crime Reduction, Community Engagement, Communication, and Stewardship. We were advised that the *Framework* is currently being updated.

2.1.74 We found that the framework improved on the *Crime Reduction Strategy* with its mix of sharper objectives and quantifiable performance measures. We also found that the processes used for developing, implementing and reporting out on the *Strategic Framework* were thorough, involving input from the City and from residents. Further, the *Strategic Framework* enabled the Detachment and the City to better monitor and respond to crime and safety issues as they arose, making this a useful and nimble tool. The process and *Strategic Framework* may serve as a model for other communities in determining, implementing and measuring strategic priorities related to policing.

FINDINGS

2.1.75 As seen above, Community Engagement is one of the five strategic priorities identified in the *Five Year Strategic Framework*. In response to community-based issues, the City and the Detachment will often develop specific initiatives to help address those issues. For example, when the Panorama Ridge area was faced with an increasing rate of “break-and-enter” incidents, the City and the Detachment met with community members. This led to the development and delivery of a set of initiatives aimed at addressing the growth in this type of crime as outlined in Exhibit 9.

2.1.76 Annual Performance Plans: The requirement for RCMP Detachments to produce Annual Performance Plans (APP) was in response to a report issued by the Auditor General of Canada in 2005, which indicated that there was a gap in consultation with stakeholders regarding community policing priorities. We found the APP provides a framework for setting priorities, in conjunction with the local government and residents, and for monitoring results annually. It is an overall policing plan for a community. It is also to be used when assessing the individual performance of the Detachment’s Officer in Charge.

2.1.77 One area of enhancement that could be made involves the consistent identification of planned inputs required to implement the strategies, including key resources such as RCMP and civilian staffing time and associated costs, materials, equipment, technology and other funding needs. The identification of these inputs and their utilization can help the City and detachment with the analysis of staff deployment and budget decisions. Ultimately, this information can be used to inform the appropriate size of the Detachment.

FINDINGS

Police Resource Levels and Mix

2.1.78 The number of employees and labour costs including salaries and benefits are the most significant cost drivers for policing services. Therefore, changing the number of staff has the largest single impact on police budgets. However, there are other factors that influence costs such as individual skill sets and the ratio of regular members to civilian employees. Therefore, prudent assignment of policing resources can have an impact on effectiveness and overall costs. For example, we were advised that there was only one RCMP member performing administrative tasks while the majority of administrative functions are performed by lower-paid civilian support staff.

2.1.79 As a result, ensuring an appropriate number and mix of employees – including sworn officers and other staff – can have an impact on the overall cost and effectiveness of a police service.

2.1.80 We found the City of Surrey set a target population-to-officer ratio of 700:1 in its *Crime Reduction Strategy* (2007). However, there was no documented justification for establishing the 700:1 target ratio, making it difficult to determine the appropriateness of the target and the significance of the target not being achieved. This approach is likely not sophisticated enough for a municipality such as Surrey, which has complex policing needs. We did find, however, that the City and Detachment have taken recent steps towards a more sophisticated approach to determining police force size.

Approaches Used to Determine the Appropriate Police Resource Level

2.1.81 Every community is unique and as a result, the levels of policing differ based on a number of factors, including geography, demographics, type of crime, community expectations, and available resources. An optimal approach would utilize some combination of these methods.

FINDINGS

EXHIBIT 10: Six Main Methods for Determining Police Resource Levels

- **Historical levels/budget room approach** – This incremental approach takes the current level of police resources as the starting point and then adds resources as budgets permit. While it is straightforward, this method does not link level of resources with an analysis of need or police effectiveness and does not relate to any sort of benchmark.
- **Per capita approach** – This approach determines an appropriate number of officers per capita based on a comparison with other communities. This method is also straightforward and does relate to a benchmark, but it does not take into account the specific circumstances of the community, police effectiveness or an analysis of needs.
- **Minimum staffing approach** – This approach estimates the staffing level necessary to maintain officer safety and provide adequate protection to the public. However, there are no objective standards for determining minimum staffing levels and this approach does not take into account workload differences at different times of the day, week or year. As a result, use of this method could result in excess resources at some times and insufficient resources at others.
- **Authorized level approach** – This approach calculates staffing levels based on available budget. While it provides the police agency with control over its allocation of resources, it is not necessarily linked to need or workload considerations and can result in the establishment of an artificial benchmark similar to the historical levels/budget room approach.
- **Workload-based approach** – This approach uses actual demand-for-service data to help determine appropriate staffing levels. Using a computer model, it takes information on calls for service, response times, performance objectives and other data to estimate the appropriate level of staffing. More complex than other methods, it is most useful in determining scheduling and has difficulty accounting for the complexity of larger urban communities, such as Surrey.
- **Coverage-based approach** – This approach uses geographic coverage and targeted response times within the area to guide the number of officers hired and the number deployed to particular areas. It is well suited to more disparate rural areas where travel time to respond to calls may vary widely due to distance. Since it is based on response time, it is subjective, as there are no benchmarks for the appropriate number of police per square kilometer or desired response times.

2.1.82 Determining the most appropriate level of policing is a complex exercise that can have a major bearing on overall policing costs and effectiveness. There are several parameters that municipalities should be aware of that could be examined in order to enhance their oversight including the following:

- Community conditions, including variations in crime levels across the region, needs and expectations;
- Budget allocation, if used alone, is an artificial benchmark, as it typically does not consider demand, community expectations or efficiency;
- Minimum staffing levels for officer safety;
- Workload intensity which uses demands for service, response time and location of the workload;
- Utilization of civilian staff for corporate services duties and other non-police work;
- Performance objectives;
- How members spend their time and the quality of that time;
- Average vacancy rates;
- Officer shift scheduling practices to ensure maximum efficiency; and,
- Minimize extra shift/overtime requirements.

2.1.83 There are six main methods used in determining the appropriate level of police resources for a community, as shown in Exhibit 10.

FINDINGS

2.1.84 In larger, urban communities policing levels are determined in various ways, employing one or more of the six approaches noted earlier. Some municipalities purchase tools/software programs to assist them in determining policing levels. The City of Surrey has used a per capita approach, with a target ratio of 1 officer to 700 residents which was identified in their *Crime Reduction Strategy* (2007).

2.1.85 In 2013, Surrey’s authorized strength was 673, which resulted in a ratio of 746 residents per police officer, which was close to the 2013 provincial level at 752 for BC municipalities using RCMP services. The City indicated that it aimed

to reach the target of 700:1 by 2014. Over the audit period, authorized strength was increased by 32 members. However, as shown in Exhibit 11, despite this increase, the City did not move closer to its 700:1 target, due to population growth. Interviews with the City indicated that this target was based on a simple review of population-to-officer ratios in selected communities across Canada, rather than a more sophisticated approach.

2.1.86 The City should examine a set of key parameters and approaches used by the RCMP and by larger municipalities across Canada in order to identify a ”made-in Surrey” approach to police resourcing.

EXHIBIT 11:
Population per Authorized Strength

	2010	2011	2012	2013	INCREASE/ (DECREASE) 2013/2010
Authorized Strength	641	651	661	673	5.0%
Population per Authorized Strength	742	743	746	746	0.3%

As shown above, authorized strength was increased over the audit period. However, due to higher growth in population, the population-to-authorized strength ratio did not decrease.

Source: Police Resources in BC 2010-2013

FINDINGS

Ensuring Appropriate Policing Levels

2.1.87 Planning for the appropriate level of policing is important given the impact staffing can have on policing effectiveness and on overall expenses. Salaries and benefits typically comprise 55 to 60 per cent of total policing costs. The MPOA includes a paragraph directing the Officer in Charge and the City Manager to exchange information on the number of positions required for the Detachment, as a component of annual and multi-year financial planning.

2.1.88 With regard to the annual increases in members seen in Exhibit 11, we found that the City and Detachment communicated on a regular basis on authorized strength, increases to strength, and impact of vacancy rates. We also found that the City used a consistent, formalized approach to request the increases. This involved discussions between the City Manager, other City staff and the Officer in Charge, in addition to recommendations from the City to Council through Corporate Reports, and formal Municipal Contract Policing Resource Request letters issued by the City Manager to the Minister of Justice.

2.1.89 The rationale for more officers that was presented in each Corporate Report to Council stressed the need to decrease the population-to-officer ratio, ultimately reaching the target ratio of 700:1. We found that the Corporate Report, interviews with Police Committee members, and other literature reviewed, did not provide in-depth analysis and rationale related to the need for more police officers.

2.1.90 As mentioned earlier, we found no rationale in the City's files for the target ratio of 700:1, including no documentation showing a clear link between increased police staffing and increased public safety. The risk here is that the City may have too few officers, resulting in inadequate policing, or too many officers, resulting in higher policing costs. Sometimes more officers are hired to address residents' fears of safety and security – more visibility of police can make people feel safer even if adding more police does not have a measurable effect on reducing or solving crime. And as discussed earlier, a pure population-based calculation of police staffing requirements may be overly simplistic, particularly in a large and complex municipality such as Surrey.

FINDINGS

EXHIBIT 12: Post Audit Event

Within the 2012 MPUA, when a municipality makes a request for additional RCMP members, the Federal Government is responsible for approving that request. Once approved, the RCMP is responsible for meeting the request within a 12 month period.

Following the completion of our audit field work, the City announced in May 2015 that the Federal Government had approved a request from the City for 100 additional members. Leading to this event, the RCMP engaged two independent research studies. The first was a general duty staff analysis and the second was an analysis undertaken by the University of the Fraser Valley. This study examined the Detachment in its entirety to review the pressures in resourcing.

The recommendations from both reports were collectively relied upon in the process to secure the 100 new members in conjunction with internal dialogue with the City's senior staff, Mayor and Council. The process included a report to the Police Committee presented in October 2014.

The City expects that the members will arrive within one year and costs for each member are expected to be \$145,000 per member per year. However, the actual cost may vary depending on the rank/seniority of each member.

At the time of writing, we were advised 39 additional members have been deployed to the Surrey Detachment.

2.1.91 We were advised however, that beginning in 2014, the City and the RCMP Detachment had adopted the Managing Police Performance (MPP) methodology that seeks to align the number of front line police officers with workload, operational objectives, performance and public and police safety. The MPP methodology was used to secure the 100 additional RCMP members described in Exhibit 12. We acknowledge the significant work the City and Detachment have done in this regard, and at the same time, we encourage the City to continue to take steps to ensure the methodology is sound through the ongoing analysis of results achieved. We may re-visit the results achieved in Surrey through the utilization of MPP at a later date.

FINDINGS

Vacancy Rates

2.1.92 Under the MPUA, the Detachment is expected to provide the City with information on police officer position vacancy rates and reasons for vacancies. Data on vacancies is important as it has both operational and financial impacts. Vacancy rate analysis is also an important ingredient for determining the right size of the Detachment. Vacancy data should also be used in budget forecasting for member salaries and benefits.

2.1.93 Overall, we found the City monitors vacancy data and the vacancy rates have remained low during the period covered by the audit, as shown in Exhibit 13. The average vacancy rate from 2010/11 to 2013/14 is lower than the national level of 3.4%. We found that details concerning vacancies were exchanged and the City tracked and analysed vacancy data. City staff told us the data was used to adjust salary forecasts and for monitoring its impacts on overtime utilization.

EXHIBIT 13:
RCMP Vacancy Rates
2010/11-2013/14

	2010/11	2011/12	2012/13	2013/14	AVERAGE
Vacancy Rate (excluding integrated teams)	3.60%	0.46%	0.46%	1.49%	1.50%

Source: RCMP Records

FINDINGS

Managing Policing Costs

2.1.94 The City can influence overall policing costs by requesting changes to the staffing levels of the RCMP regular members and civilian support services, which impact the payroll expenses. Other than that, the City has only a limited ability to directly affect policing costs. Most of the fundamental costs associated with RCMP police service delivery are driven by decisions with respect to salaries, kit, equipment, and national programs that are made by the Federal Government and are outside of the direct control of local governments who contract with the RCMP for the delivery of local police services.

2.1.95 Overall, we found that the City established and followed good processes for reviewing and analysing financial reports, worked collaboratively with the Detachment, and paid close attention to financial results with the goal of cost containment. During the period covered by the audit, the City moved from a deficit to a surplus position.

2.1.96 We also found the cost over-runs for RCMP payroll expenses in each of the four years of the audit were partially due to an allocation issue related to a reorganization of the Lower Mainland Police Force Integrated Teams. The City indicated that the situation that led to these cost over-runs has now been corrected.

2.1.97 Finally, we found that the City and RCMP pay attention to cost recovery initiatives and that there may be opportunities for further cost savings.

FINDINGS

2.1.98 As shown in Exhibit 14, Surrey’s per capita cost was at the high end and has increased at a faster pace in comparison with four neighbouring municipalities using RCMP services. However, the differences (both in dollar value and rate of increase) could be explainable given Surrey’s higher crime severity and lower residential density.

EXHIBIT 14:
Policing Cost Comparison
of Municipalities using
RCMP Services in Metro
Vancouver

MUNICIPAL POLICING COSTS PER CAPITA						
CITY/YEAR	2010	2011	2012	2013	% CHANGE 2010-2013	AVERAGE 2010-2013
Surrey	\$ 203	\$ 219	\$ 227	\$ 228	12%	\$ 219
Langley Township	\$ 213	\$ 223	\$ 237	\$ 228	7%	\$ 225
Burnaby	\$ 198	\$ 214	\$ 217	\$ 203	3%	\$ 208
Coquitlam	\$ 184	\$ 190	\$ 199	\$ 191	4%	\$ 191
Richmond	\$ 185	\$ 183	\$ 193	\$ 194	5%	\$ 189

Source: Police Resources in BC 2010-2013

FINDINGS

RCMP Contract Cost Overview

2.1.99 The City's policing costs consist of the RCMP contract cost, support service expense and the City's shared portion on the lower mainland integrated teams. The City's RCMP contract cost is budgeted and reported annually by the Federal Government's fiscal year that ends on March 31. The City's total policing costs including both the RCMP contract and support service expenses are budgeted and reported annually by the City's fiscal year that ends on December 31.

2.1.100 The City's RCMP contract cost consists of direct cost, indirect cost and the City's shared portion on the lower mainland integrated team expenses. Direct policing cost includes expenses on payroll, training, travel, communications and legal services, leasing, equipment and supplies. Indirect policing cost includes pensions, division administration, recruitment, and training expenses.

2.1.101 Exhibit 15 shows the City of Surrey's RCMP contract cost was over budget in 2010/11 and 2011/12, on budget in 2012/13 and under budget in 2013/14. These annual budget vs actual variances ranged from less than 1% to 5% during the period covered by the audit.

FINDINGS

EXHIBIT 15: City of Surrey RCMP Contract Budget vs Actual 2010/11-2013/14

RCMP CONTRACT	2010/11			2011/12		
	City Budget	Actual	Variance	City Budget	Actual	Variance
Regular Member Salaries	\$ 41,955,722	\$ 44,514,585	(\$ 2,558,863)	\$ 43,809,196	\$ 46,366,445	(\$ 2,557,249)
Overtime Pay	\$ 3,869,200	\$ 5,074,594	(\$ 1,205,394)	\$ 3,979,696	\$ 5,915,310	(\$ 1,935,614)
Other Personnel Costs	\$ 1,189,438	\$ 1,940,581	(\$ 751,143)	\$ 1,220,482	\$ 2,528,384	(\$ 1,307,902)
Total Personnel Costs	\$ 47,014,360	\$ 51,529,760	(\$ 4,515,400)	\$ 49,009,374	\$ 54,810,139	(\$ 5,800,765)
Other Direct Costs	\$ 15,487,222	\$ 13,994,418	\$ 1,492,804	\$ 15,354,606	\$ 15,644,733	(\$ 290,127)
Indirect Costs & Credits	\$ 14,654,938	\$ 15,160,678	(\$ 505,741)	\$ 18,545,093	\$ 18,140,562	\$ 404,531
Integrated Teams	\$ 10,429,390	\$ 9,994,900	\$ 434,490	\$ 12,430,931	\$ 11,628,400	\$ 802,531
TOTAL RCMP CONTRACT COST	\$ 87,585,410	\$ 90,679,756	(\$ 3,094,347)	\$ 95,339,004	\$ 100,223,834	(\$ 4,884,830)

RCMP CONTRACT	2012/13			2013/14		
	City Budget	Actual	Variance	City Budget	Actual	Variance
Regular Member Salaries	\$ 46,416,103	\$ 49,100,725	(\$ 2,684,622)	\$ 49,358,754	\$ 49,525,510	(\$ 166,756)
Overtime Pay	\$ 4,352,969	\$ 3,875,196	\$ 477,773	\$ 4,937,462	\$ 6,886,419	(\$ 1,948,957)
Other Personnel Costs	\$ 1,316,009	\$ 9,650,197	(\$ 8,334,188)	\$ 1,675,730	\$ 2,077,045	(\$ 401,315)
Total Personnel Costs	\$ 52,085,081	\$ 62,626,118	(\$ 10,541,037)	\$ 55,971,946	\$ 58,488,974	(\$ 2,517,028)
Other Direct Costs	\$ 15,671,409	\$ 14,636,952	\$ 1,034,457	\$ 16,678,388	\$ 11,839,023	\$ 4,839,365
Indirect Costs & Credits	\$ 20,522,701	\$ 13,299,932	\$ 7,222,770	\$ 24,044,857	\$ 22,947,575	\$ 1,097,282
Integrated Teams	\$ 13,985,500	\$ 11,830,350	\$ 2,155,150	\$ 14,550,538	\$ 13,204,176	\$ 1,346,362
TOTAL RCMP CONTRACT COST	\$ 102,264,691	\$ 102,393,352	(\$ 128,660)	\$ 111,245,729	\$ 106,479,748	\$ 4,765,981

Source: RCMP Contract Budget 2010-2013 and RCMP Monthly Analysis 2013/14

FINDINGS

Cost Drivers and Controllable Costs

2.1.102 Based on the Municipal Police Unit Agreement, and external factors that were relevant to Surrey, there were a number of policing cost drivers that the City and the Surrey RCMP Detachment needed to consider on an ongoing basis. The following cost drivers, which have contributed to escalating policing costs, were beyond the control of the City:

- Population growth;
- Complexities of crime and legal system that make policing processes complicated and time-consuming;
- Inflation in police salaries and benefits;
- Federal decisions, such as increasing the employer portion of pensions, and changes regarding the rules of severance allowances;
- Division administration;
- National programs;
- Information management systems and PRIME;
- Increasing the costs of LMD integrated teams; and,
- Facility and equipment requirements in support of police delivery.

2.1.103 Policing-related costs that the City could impact included:

- The number of members and, as a result, costs associated with salaries and benefits;
- All of the costs in the support services budget;
- The timing (and therefore the timing of the associated costs) of RCMP members transferred to and out of the Detachment;
- The replacement of, and addition to, the fleet of vehicles;
- Some overtime costs; and,
- Management (and therefore associated costs) of vacancies.

2.1.104 The risk related to the cost drivers is that overall policing costs can increase significantly at any given time, placing additional financial pressure on the City.

2.1.105 The RCMP indirect costs (including pensions, recruitment and administrative expenses) and the City's shared portion of integrated teams are the two main categories of policing costs generally beyond the City's control. These uncontrollable costs totalled in the range of \$30 million to \$38 million annually during 2010/11 to 2013/14.

FINDINGS

Budget Process

2.1.106 The MPUA provides the City with the authority to obtain and discuss detailed information regarding the resources required to support annual and multi-year financial planning.

2.1.107 Given the increasing costs of policing in Surrey (see Exhibit 16), resource and budgetary planning is critical to ensuring that the City meets safety and security priorities, while containing policing costs.

EXHIBIT 16:
Growth of Policing Costs
in Surrey Relative to
Population and Inflation

POLICING COSTS IN SURREY	2010	2011	2012	2013	INCREASE 2010-2013
Total Policing Costs [^]	\$ 96,427,000	\$ 106,036,000	\$ 112,017,000	\$ 115,033,000	19.3%
Population	475,890	483,950	492,930	501,100	5.3%
Total Policing Costs/ Per Capita	\$ 203	\$ 219	\$ 227	\$ 228	12.5%
Consumer Price Index growth (BC)	113.8	116.5	117.8	117.7	3.4%

[^]Total police services costs including RCMP contract and support services staff

Source: Police Resources in BC 2010-2013

FINDINGS

2.1.108 We found that the City worked with RCMP “E” Division and the Surrey Detachment to develop and refine the annual budget and the five-year forecast. The process used is outlined below

Municipal Contracting Policing Resource Request by RCMP “E” Division

2.1.109 In May/June of each year, the “E” Division sent the City Manager a Five-year Forecast of the cost of contracted services, based on the number of members that had been authorized by Council.

2.1.110 Finance Staff (support staff) then worked with the Officer in Charge and the “E” Division staff to refine the detailed information contained in the forecast to more accurately reflect anticipated resource requirements such as number of new vehicles, timing of new members, and other requirements.

City’s Internal Budget Development Worksheet

2.1.111 The Police Support Services budget was then compiled in accordance with the City departmental guidelines that were adopted by Council during the previous year’s budget process.

Budget Approval

2.1.112 The overall Police Services budget was approved by Council as part of the City’s Annual Five-year Financial Plan as outlined in the *Community Charter*.

2.1.113 The City’s Accounting Supervisor, responsible for administering the Detachment’s budgeting and accounting processes, was in regular contact with the Detachment and “E” Division. The types of items discussed included budget assumptions, overtime costs, vehicle costs, computer equipment costs, in addition to other costs.

FINDINGS

Cost Monitoring

2.1.114 We found that the primary method the City used to contain policing costs was monitoring and influencing detachment strength.

2.1.115 The City monitored and analyzed financial reports regularly, obtaining monthly budget-to-actual reports from the RCMP Detachment that listed direct expenditures as well as an estimate of indirect costs. The City requested detailed calculations of indirect costs from the RCMP “E” Division headquarters and regularly communicated with the “E” Division about these costs.

2.1.116 The City performed variance analysis each month on the reports it received from the Detachment. Staff reviewed financial reports line-by-line and assessed whether costs were appropriate and in-line with forecasts. The City raised any concerns with the Detachment and with “E” Division Headquarters. These three parties reviewed financial statements and resolved any issues prior to finalizing monthly statements and sending them to the City Manager and General Manager of Finance and Technology. This demonstrated that the City monitored expenditures in detail on a regular basis.

2.1.117 Similarly, City staff reviewed quarterly invoices from the RCMP, confirming that budget targets had been met and/or had not been met and that action had been taken to address any negative variances. An exception relates to budget-to-actual variances in RCMP salaries for the four-year audit period, which is discussed below.

RCMP Contract Cost Monitoring

2.1.118 Exhibit 15 shows budget and actual RCMP contract cost information for each of the four years over the audit period. In all four years, the actual RCMP payroll expenses exceeded the budget by the following amounts:

- 2010 - \$4.5 million
- 2011 - \$5.8 million
- 2012 - \$10.5 million
- 2013 - \$2.5 million

2.1.119 These cost over-runs on regular members’ salaries as noted earlier were partially due to a budget allocation issue of approximately \$2.6 million annually, where the level of resources assigned to Integrated Team members were instead allocated to regular members. There was no impact to the overall cost of the RCMP contract which includes both pay to regular members and Integrated Team members. The City indicated that the allocation issue has now been resolved.

FINDINGS

2.1.120 One-time severance payouts of approximately \$8 million in 2012/13 also contributed to the cost over-runs and were beyond the control of the City.

2.1.121 Factoring out this severance pay and allocation issue on member salaries, actual RCMP payroll expenses exceeded the budget by 4% to 7% during 2010/11-2011/12. These costs were on budget in the following two years. This result appears to demonstrate an improvement with regard to budget-to-actual personnel costs.

RCMP Overtime

2.1.122 Overtime utilization is an important cost to monitor. In policing work, overtime can be a significant unknown, and difficult to control cost driven by criminal events and court scheduling. However, overtime can also be driven by vacancy rates and shift schedule issues which are more controllable. We were advised the City compiles and reports on overtime expenditures and prepares overtime utilization reports for management review on a monthly basis. As demonstrated in Exhibit 17, RCMP overtime costs in Surrey have fluctuated year over year. We were advised this is due to the vacancy rate which has also varied annually, as well as the high usage in 2013 stemming from the increase in the number of homicides which occurred that year. Overall, the City had overtime cost overruns in three of the four years reviewed, totalling \$4.6 million.

EXHIBIT 17:
RCMP Overtime Cost
Over-runs

RCMP OVERTIME PAY	2010/11	2011/12	2012/13	2013/14
Budgeted Overtime Pay	\$ 3,869,200	\$ 3,979,696	\$ 4,352,969	\$ 4,937,462
Actual RCMP Overtime Pay	\$ 5,074,594	\$ 5,915,310	\$ 3,875,196	\$ 6,886,419
RCMP Overtime Pay Surplus (Deficit)	(\$ 1,205,394)	(\$ 1,935,614)	\$ 477,773	(\$ 1,948,957)
% of RCMP Overtime Pay Budget Variance	(31%)	(49%)	11%	(39%)

FINDINGS

Total Policing Costs Monitoring

2.1.123 Exhibit 18 shows that the City's actual total policing costs were very close to the budgeted amounts during 2010-2013, varying from two per cent over budget in both 2011 and 2012 to three per cent under budget in 2013. The favourable financial result in 2013 was mainly due to RCMP contract savings.

EXHIBIT 18: City of Surrey Total Policing Costs 2010-2013

CITY OF SURREY POLICING SERVICES		NUMBER OF SUPPORT STAFF	SUPPORT STAFF SALARIES AND BENEFITS	OPERATING COST (INCLUDES RCMP CONTRACT)	OTHER COSTS AND RECOVERIES	TOTAL POLICING COSTS
2010	Budget	225	\$ 16,296,000	\$ 80,536,000	(\$ 182,000)	\$ 96,650,000
	Actual	216	\$ 17,023,000	\$ 80,433,000	(\$ 1,029,000)	\$ 96,427,000
	Variance	9	(\$ 727,000)	\$ 103,000	\$ 847,000	\$ 223,000
		4%	(4%)	0%	465%	0%
2011	Budget	239	\$ 17,500,000	\$ 86,678,000	(\$ 640,000)	\$ 103,538,000
	Actual	224	\$ 17,947,000	\$ 88,815,000	(\$ 726,000)	\$ 106,036,000
	Variance	15	(\$ 447,000)	(\$ 2,137,000)	\$ 86,000	(\$ 2,498,000)
		6%	(3%)	(2%)	13%	(2%)
2012	Budget	241	\$ 18,113,000	\$ 92,387,000	(\$ 417,000)	\$ 110,083,000
	Actual	216	\$ 18,307,000	\$ 94,661,000	(\$ 952,000)	\$ 112,016,000
	Variance	25	(\$ 194,000)	(\$ 2,274,000)	\$ 535,000	(\$ 1,933,000)
		10%	(1%)	(2%)	128%	(2%)
2013	Budget	243	\$ 19,009,000	\$ 100,160,000	(\$ 395,000)	\$ 118,774,000
	Actual	221	\$ 19,447,000	\$ 96,091,000	(\$ 505,000)	\$ 115,033,000
	Variance	22	(\$ 438,000)	\$ 4,069,000	\$ 110,000	\$ 3,741,000
		9%	(2%)	4%	28%	3%

Source: City of Surrey five-year financial plans and City data on support staff numbers

FINDINGS

2.1.124 The City’s actual support service staffing levels were consistently lower than budgeted between 2010 and 2013. However, actual support service salaries and benefits were consistently over budget. This may have been due to underestimates in budgets, though we did not see any evidence of analytical documentation explaining the discrepancy.

2.1.125 In 2013, the City had 221 civilian support staff and 619 full-time equivalent RCMP officers, so the number of civilian support staff accounted for only 26% of total personnel in policing services, lower than the national level at 29% in the same year.

Cost Recovery

2.1.126 We found that the City monitored the potential for cost recoveries for services provided to special events and for services and space provided to other municipalities. As Exhibit 19 shows, these recoveries exceeded \$8 million annually during the period covered by the audit, of which \$6 million was for policing services.

EXHIBIT 19:
Policing Service and
Support Service Recoveries

DESCRIPTION	2010	2011	2012	2013
Recoveries for Policing Services	\$ 6,092,154	\$ 6,128,987	\$ 6,389,414	\$ 6,360,337
Revenue/Recovery for Support Services	\$ 2,153,967	\$ 2,224,920	\$ 2,277,004	\$ 2,058,894
Total Revenue/Recoveries	\$ 8,246,121	\$ 8,353,907	\$ 8,666,418	\$ 8,419,231

Source: Revenue and Recoveries 2010-2013 (City data)

FINDINGS

Cost Containment

2.1.127 In addition to cost recoveries, we have noted the following cost containment initiatives largely implemented by the Detachment in collaboration with the City:

- The application of technology to allow police officers to be more efficient with their time;
- The deployment of a main detachment building and community police stations in five districts, to efficiently distribute policing resources around the community;
- The deployment of Community Safety Officers who are less expensive members of the RCMP Detachment and who have a narrower range of responsibilities than regular officers;
- Regular year-to-date budget reviews to assist in ensuring that negative budget variances are addressed, such as the use of overtime;
- Working with other local governments as part of the BC Local Government Contract Management Committee to address projected cost increases before they become a reality; and,
- Maximizing efficiencies by assigning corporate-services duties, court duties and other non-policing work to lower-paid civilian staff to free up officers' time for policing duties.

FINDINGS

EXHIBIT 20: Good Practice – Continuous Improvement Team

The Surrey RCMP, together with the City of Surrey, formed a Continuous Improvement Team in 2010 to review best practices in three Canadian jurisdictions – Edmonton, Alberta, Peel, Ontario and Hamilton, Ontario – and three U.S. jurisdictions – Seattle, Washington, Portland, Oregon and Sacramento, California.

The team studied initiatives in those jurisdictions, focusing on operational, administrative and technological efficiency and effectiveness. The Surrey RCMP has implemented some of the best practices the team observed, including a fleet management initiative that aims to help reduce overall costs.

Surrey's formation of a Continuous Improvement Team and their resulting best practices research demonstrates that the Surrey RCMP and the City have been proactive in seeking ways to improve the efficiency and effectiveness of their police service delivery.

The results of this research could be shared with other detachments/ departments and local governments, particularly those that do not have the resources to conduct this type of research on their own.

2.1.128 The City and the Detachment worked together to establish a Continuous Improvement Team as outlined in Exhibit 20. This was a positive step, both through its potential to improve the budgeting process, control costs and improve overall effectiveness.

2.1.129 In addition to these initiatives, the City could further contain costs by increasing its oversight of overtime utilization by working closely with the Detachment to identify and assess overtime drivers. Further, the City could work with the Detachment in establishing targets for reductions in expenditures on overtime. A modest reduction in overtime could generate hundreds of thousands of dollars in annual cost savings.

CONCLUSION

Overall, we found that the City of Surrey did a good job of managing its responsibilities under the Police Act and the Municipal Police Unit Agreement.

2.1.130 Overall, we found that the City of Surrey did a good job of managing its responsibilities under the *Police Act* and the Municipal Police Unit Agreement. The City had a good understanding of the RCMP contract framework and worked with the RCMP to establish clear roles and ongoing communication.

2.1.131 We found a strong partnership between the City and Detachment built on communication and collaboration. We also found sound financial controls and a range of cost containment initiatives that have contributed to balanced policing budgets, although there remains room for improvement in managing overtime costs. We also found appropriate planning and monitoring tools that have led to results-based policing in Surrey.

2.1.132 Finally, we understand that additional work has been done recently to refine the process used for determining an appropriate level of police staffing in Surrey.

2.1.133 In our view, if the City acts on the four recommendations provided in this report, it will continue to advance its governance and stewardship in this important area of local government responsibility.

RECOMMENDATIONS

Recommendation 1

The City of Surrey should continue to enhance its utilization and management of its authorities within the policing agreement by providing training to newly elected members of the Police Committee on their authorities and responsibilities under the agreement, including information on police performance management and staffing analysis.

Recommendation 2

The City of Surrey should enhance its policing-related planning by identifying the inputs required to implement policing strategies as part of its planning process.

Recommendation 3

The City of Surrey should enhance its ability to assist in determining the appropriate level of police staffing by:

- examining the police resourcing models used in other large jurisdictions in Canada; and,
- continuing to refine the Managing Police Performance (MPP) methodology for determining the appropriate detachment strength.

Recommendation 4

The City of Surrey should enhance its ability to manage policing costs in cooperation with the RCMP by analyzing and increasing its understanding of factors influencing the level of overtime work by officers and by helping to set targets for reduced overtime utilization as a cost saving measure.

LOCAL GOVERNMENT'S COMMENTS

CITY OF SURREY

OFFICE OF THE MAYOR

September 15th, 2015
File: 1680-30

Mr. Arn van Iersel
Acting Auditor General for Local Government
201-10470 152nd Street
Surrey, British Columbia
V3R 0Y3

Dear Mr. van Iersel:

Re: Proposed Final Audit Report for the City of Surrey

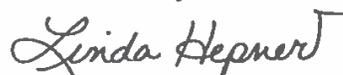
On behalf of the City of Surrey, thank you for the opportunity to provide comments on your Proposed Final Audit Report "*Local Government Performance in Managing Policing Agreements and Police Budget Oversight*". The proposed report was presented to the Public Safety Committee (formerly the Police Committee), comprised of Mayor and Council and discussed with staff on Monday, September 14th, 2015.

We are pleased overall with your audit's findings, and consider them to reflect positively on the City of Surrey with respect to our governance and budget oversight in relation to the Policing Agreement. Furthermore, the four recommendations for enhancement included are valid, although as you were recently advised, certain aspects of said recommendations have already been put into motion and into practice.

With regards to the audit process itself, recognizing the new functions and mandate of the AGLG's office, we believe the overall timeframe could have been reduced, and are confident that as your office achieves a full complement of internal staff this situation will be rectified.

In conclusion, we found AGLG staff conducted themselves in a professional manner and feel that the proposed final audit report is balanced and fair, and we will continue working to ensure the recommendations provided are expeditiously actioned.

Sincerely,



Linda Hepner
Mayor

LH/jt



P 604 591 4126 MAYOR@SURREY.CA

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CITY OF SURREY'S ACTION PLAN

AGLG RECOMMENDATION	MANAGEMENT RESPONSE AND NEXT STEPS	PERSON RESPONSIBLE	TIMEFRAME
<p>RECOMMENDATION 1</p> <p>The City of Surrey should continue to enhance its utilization and management of its authorities within the policing agreement by providing training to newly elected members of the Police Committee on their authorities and responsibilities under the agreement, including information on police performance management and staffing analysis.</p>	<p>Management will facilitate training sessions for the Public Safety Committee as per the recommendation.</p>	<p>Director of Public Safety</p>	<p>1-3 months</p>
<p>RECOMMENDATION 2</p> <p>The City of Surrey should enhance its policing-related planning by identifying the inputs required to implement policing strategies as part of its planning process.</p>	<p>The City of Surrey will continue to examine inputs required for current and new policing related strategies, working closely with the OIC to ensure the levels of committed inputs provide effective and efficient results.</p>	<p>Director of Public Safety</p>	<p>ongoing</p>
<p>RECOMMENDATION 3</p> <p>The City of Surrey should enhance its ability to assist in determining the appropriate level of police staffing by:</p> <ul style="list-style-type: none"> • examining the police resourcing models used in other large jurisdictions in Canada; and, • continuing to refine the Managing Police Performance (MPP) methodology for determining the appropriate detachment strength. 	<p>The MPP methodology has been used since 2014 and will continue to be utilized. The OIC will continue to explore opportunities to further enhance its implementation to maximize effectiveness of policing resources.</p>	<p>Director of Public Safety</p>	<p>ongoing</p>

CITY OF SURREY’S ACTION PLAN

AGLG RECOMMENDATION	MANAGEMENT RESPONSE AND NEXT STEPS	PERSON RESPONSIBLE	TIMEFRAME
<p>RECOMMENDATION 4</p> <p>The City of Surrey should enhance its ability to manage policing costs in cooperation with the RCMP by analyzing and increasing its understanding of factors influencing the level of overtime work by officers and by helping to set targets for reduced overtime utilization as a cost saving measure.</p>	<p>It is important to note that overtime in the last two years has been more thoroughly controlled than the first two years of the audit. Furthermore the increase of the RCMP complement by 100 members will help to further reduce overtime requirements. Staff continuously explore strategies to effectively utilize resources, two examples include the following:</p> <ol style="list-style-type: none"> 1. Management has already explored options to maximize policing efficiency. One example of this is the trial use of contractors to provide medical services to the prisoners in the cell block, with a view to freeing up Members for policing requirements as opposed to having to transport and escort cellblock prisoners to hospitals which can take quite a bit of time from traditional policing duties. 2. The procurement of a computer system that will be utilized for the real time tracking and management of Surrey RCMP’s capital assets, this system will facilitate the effective use of member services as it will require less labor intensive processes to manage various capital assets and thus free up resources for priority policing duties. <p>The City will also continue to work with the OIC to ensure staffing scheduling is aligned with policing needs such that policing resources are efficiently utilized and overtime usage is minimized.</p>	<p>General Manager, Finance & Technology</p>	<p>ongoing</p>

ABOUT THE AUDIT

The work completed for this audit was conducted in accordance with Canadian Standards on Assurance Engagements.

Audit Objectives

2.1.134 The overall objective of the audit was to determine whether the City of Surrey has effectively managed its responsibilities under the *Police Act* and the Municipal Police Unit Agreement by establishing sound managerial oversight practices including monitoring budgets, cost containment objectives and service levels for policing services while respecting the independence of policing operations. In addition, we looked for examples of leading practices and tools that other local governments could use to support their management of police agreements and police budget oversight.

2.1.135 Our specific objectives were to assess the City of Surrey's governance structure for policing, budgeting, forecasting and cost monitoring and reporting processes.

Period Covered by the Audit

2.1.136 The audit covered the four year period 2010 to 2013. Examination work was substantially completed in 2014.

Audit Scope and Approach

2.1.137 The audit included a review of the City of Surrey's performance in two specific areas over the years 2010, 2011, 2012 and 2013:

- Corporate governance within the local government; and,
- Police budget management in accordance with the Municipal Police Unit Agreement.

2.1.138 The audit dealt only with local government operations as defined in the *AGLG Act*, so did not include the RCMP Detachment's actual policing operations or its processes related to cost control and police detachment management.

2.1.139 In carrying out the audit, we interviewed City staff and members of Surrey City Council, as well as representatives of Surrey's RCMP Detachment.

2.1.140 The documentation we reviewed included agreements, plans and reports relating to policing in Surrey.

Audit Criteria

2.1.141 Performance audit criteria define the standards against which we assessed the City of Surrey's performance. We express these criteria as reasonable expectations for Surrey's management of its police agreement and police budget oversight to achieve expected results and outcomes.

ABOUT THE AUDIT

2.1.142 Below are the criteria we used to assess the City of Surrey:

1. The local government has established a governance structure that is appropriate and allows for effective oversight of the police detachment.
 - The local government understands its authorities under the MPPA and is positioned to exploit these authorities to contain policing costs.
 - The local government has appropriate engagement with the RCMP Detachment.
 2. The local government has established budgeting, forecasting and cost monitoring processes that are adequate and effective in directing resources to where they are needed.
 - An annual priority-setting process exists within the local government to set priorities, goals and objectives for the RCMP Detachment as allowed by the MPPA.
 - The process for setting the priorities, goals and objectives is defined and transparent and, through community input, reflects the community's safety and security priorities.
 - The local government prepares a projected annual budget and projected budgets for the five-year financial plan for the RCMP Detachment, in accordance with Article 16 of the MPPA and reviews and discusses the budget with the RCMP Detachment.
- “Budget-to-actual” reports are received by the local government and variance analysis is performed in a timely manner; key cost drivers are identified and evaluated with regard to those that the government can and cannot influence; budget-to-actual variances are investigated on a regular basis.
 - The local government requests data and information that allows the government to monitor the performance of the RCMP Detachment, particularly with regard to effectiveness in accordance with Article 17 of the MPPA.
 - The local government:
 - Identifies possible opportunities for cost containment, including new technologies and practices in other jurisdictions, and discusses these opportunities with the RCMP Detachment in the context of Article 16 of the MPPA.
 - Monitors policing services provided in addition to law enforcement and 1) considers revenue-generating opportunities without impacting its public policing priorities; 2) uses its ability to recover costs related to additional policing requirements in a manner that is consistent with the policing agreements, the *BC Police Act* and the *RCMP Act*.

ABOUT THE AUDIT

Performance Audit Process

2.1.143 At the beginning of the performance audit process, we shared key audit-related documents with the City of Surrey. These included a description of the audit background, focus, scope and criteria and an engagement protocol document describing the audit process and requirements. The process is summarized in Exhibit 21.

EXHIBIT 21: Performance Audit Process

AGLG initiates audit with notification letter and schedules opening meeting with local government to discuss process and proposed audit scope and criteria.

AGLG finalizes audit scope/criteria and advises local government, which acknowledges/ accepts.

With cooperation of local government, AGLG gathers evidence by conducting enquiries, site visits and reviews, inspecting records, performing analyzes and other activities.

AGLG shares preliminary findings with local government at fact clearing meeting or by providing draft proposed final report.

Local government confirms all fact statements, advising AGLG if any information is incorrect or incomplete, providing corrected information with documentary support.

AGLG may produce a draft proposed final report for local government review and comment.

Local government may suggest revisions to the draft report. This request must be supported by evidence. Local government comments must be provided within timeframes established by AGLG.

AGLG produces proposed final report and shares it with local government.

Local government has 45 days to provide comments. These should include response to recommendations.

AGLG adds summary of local government comments to proposed final report and submits it to Audit Council for their review.

Audit Council may provide comments.

After considering any Audit Council comments, AGLG finalizes report.

AGLG may provide final report to local government immediately prior to publication.

AGLG publishes the final performance audit report on AGLG.ca website.

APPENDIX 1 – SUPPLEMENTARY INFORMATION ON POLICING SERVICES IN B.C. AND SURREY

2.1.144 This section contains detailed contextual information on policing services in B.C. and Surrey, including key crime statistics, policing costs and demographic characteristics. This information will provide the reader with a more complete understanding of policing services

How Policing is Delivered in B.C.

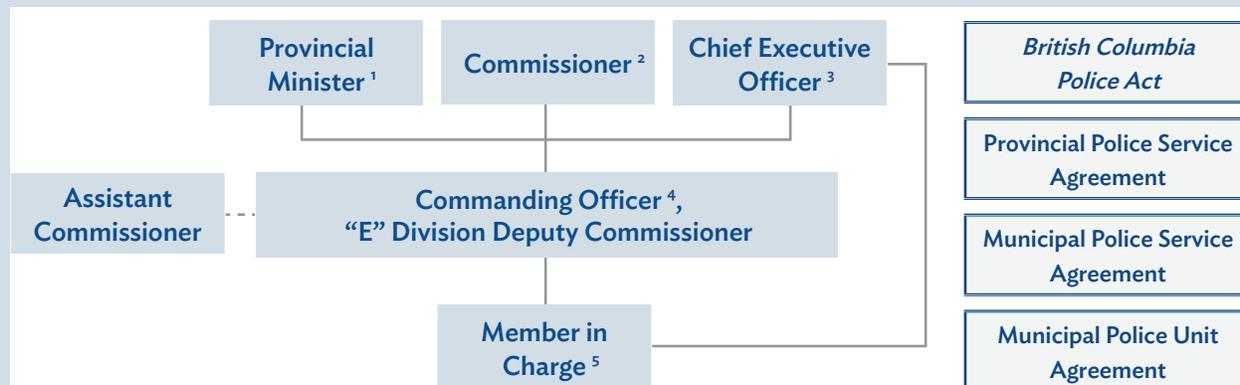
2.1.145 The Royal Canadian Mounted Police (RCMP) has been providing contract policing in British Columbia since 1950, when the province ceased to have its own police force.

2.1.146 The British Columbia *Police Act* (the “*Police Act*”) stipulates that a municipality must assume responsibility for police services when its population reaches 5,000 persons. There are three options for municipalities to meet their policing requirements:

- Form their own municipal police department (Independent Police Force);
- Contract with an existing municipal police department; or,
- Contract with the provincial government for RCMP municipal services.

2.1.147 Exhibit 22 below illustrates the high-level relationship between the relevant act, agreements and positions. The Chief Executive Office (“CEO”) is the mayor, reeve, warden or other elected official of the municipality.

EXHIBIT 22: RCMP Police Structure



According to the police agreements, the terms are defined as follows.

1. “Provincial Minister” means the provincial Minister responsible for policing service in the Province
2. “Commissioner” means the Commissioner of the Royal Canadian Mounted Police or his or her delegate
3. “Chief Executive Officer” or “CEO” means the mayor, reeve, warden or other elected head of the municipality, however designated, and includes such delegate approved, from time to time, by municipal council
4. “Commanding Officer” means the officer of the RCMP, resident in the Province, appointed by the commissioner to command the Division
5. “Member in Charge” means the Detachment Commander or other senior member in charge of the Municipal Police Service

APPENDIX 1 – SUPPLEMENTARY INFORMATION ON POLICING SERVICES IN B.C. AND SURREY

2.1.148 The RCMP has policing models for municipal detachments, regional and integrated detachments and First Nations policing. The municipal detachment model is the only one of these that is relevant to this performance audit.

2.1.149 The British Columbia *Police Act* requires municipalities to pay for local police services if their population totals 5,000 persons or more. Regional districts do not have policing responsibilities. Municipalities with populations of under 5,000 receive police services from the RCMP, with the Provincial Government paying 70 per cent of actual policing costs and the Federal Government paying the remaining 30 per cent.

2.1.150 There are currently 74 municipalities in B.C. with populations of 5,000 or more. The number of municipalities by policing model is shown in Exhibit 23. A brief description of these models follows the table.

EXHIBIT 23: Number of B.C. Municipalities by Policing Model, 2014

POLICING MODEL	# OF MUNICIPALITIES
Independent Force	12
Over 15,000 RCMP	31
5,000 – 15,000 RCMP	31
Total	74

2.1.151 A municipality that chooses to have its own independent police forces pays 100 per cent of the costs and has a civilian police board to govern the police department. The board works with the chief constable to set priorities, goals and objectives. These must be consistent with provincial laws and must be in response to community needs.

2.1.152 A municipality that chooses to contract with the provincial government for RCMP municipal policing services enters into a Municipal Police Unit Agreement with the Province.

2.1.153 Municipalities with populations over 15,000 pay 90 per cent of the direct policing cost, with the Federal Government paying the remaining 10 per cent. Municipalities with populations between 5,000 and 15,000 pay 70 per cent, with the Federal Government paying 30 per cent. All municipalities that contract for RCMP services pay 100 per cent of certain costs, such as detachment accommodation and support staff.

2.1.154 The RCMP’s “E” Division in B.C. is the largest of 15 RCMP Divisions across Canada. “E” Division headquarters are located in Surrey. The RCMP divides the province into four districts: Lower Mainland District, North District, South East District and Vancouver Island District. Through “E” Division, the RCMP provides federal, provincial, municipal and First Nations policing services, as well as policing infrastructure such as air services, communications and specialized units.

APPENDIX 1 – SUPPLEMENTARY INFORMATION ON POLICING SERVICES IN B.C. AND SURREY

The City of Surrey

2.1.155 The City of Surrey contracts with the Province of B.C. to provide RCMP police services. The Surrey Detachment, located in the Lower Mainland District, is the largest RCMP Detachment in Canada with an authorized strength of 673 and support staff of 221 in 2013.

2.1.156 Surrey’s geographic size, location and diversity can present challenges with regard to crime levels and addressing issues related to public safety and crime. Surrey covers 316 square kilometers and is located on the U.S. - Canada border. The City of Surrey is served by several highways, bridges and Sky Train stations, which can also present challenges with regard to containing and addressing crime given that people can move in, out and through the City using different routes and travel modes.

2.1.157 The City of Surrey is comprised of several distinct neighborhoods that vary in terms of a range of demographic features which can influence crime levels in particular neighborhoods. For the purposes of policing, the RCMP has divided Surrey into five districts. Exhibit 24 shows 2013 crime statistics for each of the five districts, emphasizing how crime levels varied considerably throughout Surrey.

2.1.158 Exhibit 25 shows the City’s revenues and expenses for 2010 to 2013. The City’s revenues totaled \$788.52 million in 2013, which represented a 12.8 per cent increase over the period covered by the audit. This increase was attributed primarily to additional property taxes, utility fees and increased capital contributions from developers for infrastructure-related projects.

EXHIBIT 24: Recorded Offences by Surrey RCMP Districts (2013)

CRIME CATEGORY	RECORDED OFFENCES 2013				
	D1 Whalley/ City Centre	D2 Guildford/ Fleetwood	D3 Newton	D4 Cloverdale/ Port Kells	D5 South Surrey
Homicide	8	5	9	1	3
Violent Crimes	2,157	1,160	2,123	527	400
Property Crimes	7,437	6,339	8,394	3,433	3,754
Other CC Offences	3,461	1,300	2,588	623	644
Total CC	13,055	8,799	13,105	4,583	4,798
Total CDSA**	852	278	440	214	138

** Controlled Drug and Substances Act

Source: <http://surrey.rcmp-grc.gc.ca/ViewPage.action?siteNodeId=103&languageId=1&contentId=-1>, downloaded on July 8, 2014

APPENDIX 1 – SUPPLEMENTARY INFORMATION ON POLICING SERVICES IN B.C. AND SURREY

2.1.159 The City's expenses totaled \$574.56 million in 2013, which was an increase of 3.5 per cent over 2012. This increase was attributed to employee contract settlements, an increase in the amounts that were paid under the RCMP contract for police services and increases in fiscal services as a result of the external borrowing the City undertook in 2011, 2012 and 2013.

2.1.160 Over the four-year period, policing costs in Surrey also increased at a faster rate than the City's total revenues and expenditures (see Exhibit 25).

2.1.161 Policing costs increased by 19.3 per cent, while total City expenditures (which include policing costs) increased by 14.7 per cent and total City revenues by 12.8 per cent.

EXHIBIT 25: City of Surrey Revenues and Expenses Including Policing Costs, 2010 - 2013

CITY OF SURREY REVENUE AND EXPENSES	2010	2011	2012	2013	Increase/ (Decrease) 2013/2010
Total Local Government Revenue \$	\$ 699,086,000	\$ 646,541,000	\$ 702,590,000	\$ 788,523,000	12.8%
Total Local Government Expenditures \$	\$ 501,092,000	\$ 543,732,000	\$ 554,923,000	\$ 574,560,000	14.7%
Total Policing Costs \$	\$ 96,427,000	\$ 106,036,000	\$ 112,017,000	\$ 115,033,000	19.3%
Policing Costs as % of Total Local Government Expenditures	19.2%	19.5%	20.2%	20.0%	4.0%

Sources: City of Surrey 2010-2013 Annual Reports and Five-Year Financial Plans

APPENDIX 1 – SUPPLEMENTARY INFORMATION ON POLICING SERVICES IN B.C. AND SURREY

Policing in Surrey

2.1.162 The RCMP has been providing contract policing in Surrey since 1950, when the British Columbia Provincial Police ceased to exist. The Surrey Detachment is the largest RCMP Detachment in Canada, with an authorized strength of 673 and 221 actual support staff positions as of 2013. Among British Columbia communities, only the Vancouver Police Department is larger.

2.1.163 Based on authorized strength, the Surrey RCMP is the second largest police force in B.C., next to the Vancouver Police Department, which is an independent police force with an authorized strength of 1,327 in 2013.

2.1.164 The basic cost-sharing formula for RCMP members under the 2012 MPUA is 90% paid by the City of Surrey and 10% paid by the Government of Canada (“Canada”). This formula applies to all RCMP communities in BC with populations of 15,000 or more. RCMP communities with fewer than 15,000 people are required to pay 70% of the RCMP costs, while Canada covers 30%. Additional details regarding cost-sharing are provided in the MPUA.

2.1.165 The service delivery model for the Surrey RCMP centres around crime reduction, with the following philosophies serving as the cornerstones of the Detachment’s policing operations and approach:

- Community Policing
- Intelligence-led Policing
- Integrated Policing

2.1.166 With regard to Integrated Policing, the City, through the RCMP, also contributes to the Lower Mainland District Regional Police Force Integrated Teams. The six regional Integrated Teams that Surrey supports include:

ERT: Emergency Response Team

ICARS: Integrated Collision Analysis and Reconstruction Service

IFIS: Integrated Forensic Identification Services

IPDS: Integrated Police Dog Service

IHIT: Integrated Homicide Investigation Team

III: Integrated Internal Investigator

2.1.167 The cost-sharing formula for participating municipalities under the 2012 MPUA is based on:

- Criminal Code Offence – five-year average criminal code offenses account for 75 per cent of cost-sharing
- Population – Annual population accounts for 25 per cent of cost-sharing

2.1.168 In 2012, 54 of Surrey’s RCMP members were on integrated teams. The City covers 90 per cent of these costs, and Canada covers the remaining ten per cent. In the case of IHIT, the Province contributes 20 per cent of costs.

APPENDIX 1 – SUPPLEMENTARY INFORMATION ON POLICING SERVICES IN B.C. AND SURREY

2.1.169 The City of Surrey is responsible for covering 100 per cent of RCMP support staff costs, and operational costs. The support staff is municipal employees.

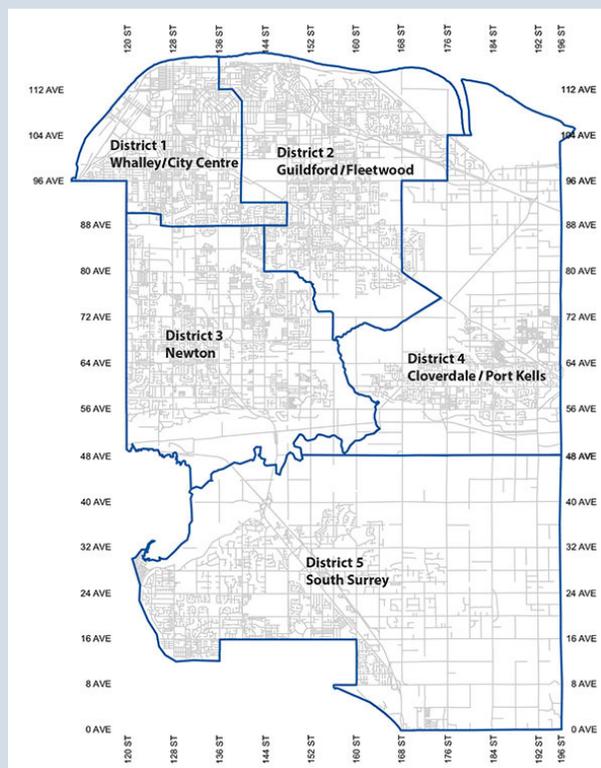
2.1.170 In Surrey, the RCMP Detachment’s Officer in Charge provides reports to the City’s mayor and the City Manager, as well as to the Commanding Officer of the RCMP “E” Division. The City Manager is the main point of contact for the Officer in Charge.

2.1.171 The Surrey Detachment is organized into four functional groups: Operations, Investigative Services, Administrative Services and Support Services.

2.1.172 Geographically, the Surrey RCMP is organized into five districts, each with its own District Office, as depicted in Exhibit 26.

2.1.173 District Offices are led by a District Commander. The District Offices provide first-responder services on a 24/7 basis, and also deliver community policing and crime prevention programs. District Offices are responsible for consulting with community members within their District on matters related to public safety and prevalent crime issues that require resolution.

EXHIBIT 26: Surrey RCMP Detachment District Offices



Source: Downloaded from the Surrey RCMP website: <http://surrey.rcmp-grc.gc.ca/ViewPage.action?siteNodeId=71&languageId=1&contentId=32629>, on July 7, 2014.

APPENDIX 1 – SUPPLEMENTARY INFORMATION ON POLICING SERVICES IN B.C. AND SURREY

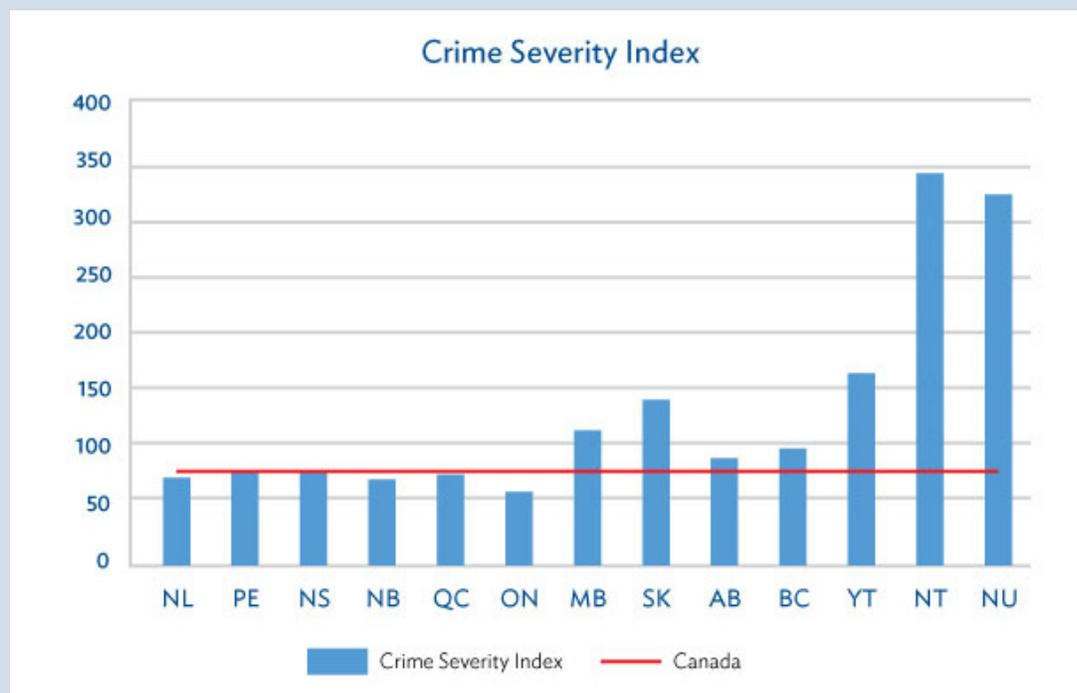
Crime Trends

2.1.174 While it was beyond the scope of this audit to examine causes of crime and any possible links between policing and levels and types of crime, we acknowledge that it is widely accepted that crime rates are influenced by a complex range of factors. While the media and the public often draw direct links between crime rates or individual high profile crimes and policing levels and methods, we do not assume any such links.

In Canada and B.C.

2.1.175 For almost all provinces, the Crime Severity Index has remained relatively low in recent years and is now the lowest it has been since 1998; the first year such a statistic was calculated. The index is calculated by assigning a weight to each type of offence based on sentences handed down by the courts. While the index for B.C. has declined in recent years, it remains higher than the Canadian average.

EXHIBIT 27: Crime Severity Index by Province and Territory, 2012



Source: <http://www.statcan.gc.ca/pub/85-002-x/2013001/article/11854/c-g/desc/desc05-eng.htm>, downloaded July 18, 2014

APPENDIX 1 – SUPPLEMENTARY INFORMATION ON POLICING SERVICES IN B.C. AND SURREY

In Surrey

2.1.176 As Exhibit 28 shows, crime trends in Surrey have shown mixed results in recent years. The overall crime rate was down between 2010 and 2013, violent offences were down and drug offences were down. However, the total number of crimes was up, homicides were up, property offences were up and calls for police service were up.

2.1.177 The crime severity index and violent crime severity index in Surrey remained high compared to other Canadian cities of a comparable size during the audit period. Exhibit 29 presents population, officer count and crime rates for several cities of similar size to Surrey. Statistics for Vancouver Census Metropolitan Area (CMA) as a whole are also shown. Surrey is part of the Vancouver CMA.

EXHIBIT 28: Surrey Crime Statistics 2010 to 2013

CITY OF SURREY	2010	2011	2012	2013	% CHANGE
Criminal Code Offences (CCO)	42,735	42,913	43,162	44,340	3.8%
Crime Rate	92.4	90.5	89.3	88.5	(4.2%)
Violent Offences	8,309	7,630	7,189	6,367	(23.4%)
Property Offences	25,915	27,044	28,117	29,357	13.3%
Other Criminal Code Offences	8,511	8,239	7,856	8,616	1.2%
Homicide Offences	14	16	9	25	78.6%
Motor Vehicle Offences	3,080	2,791	3,036	3,091	0.4%
Drug Offences (CDSA)	2,418	2,221	2,011	1,922	(20.5%)
Number of calls for service	25,574	27,108	28,261	30,146	17.9%

Sources: Police Services, Ministry of Justice; City of Surrey and Surrey RCMP websites for 2013 data

(Note that crime statistics may vary, depending on the source.)

APPENDIX 1 – SUPPLEMENTARY INFORMATION ON POLICING SERVICES IN B.C. AND SURREY

EXHIBIT 29:
Police Officers and Crime Severity in Surrey Relative to City of Vancouver and Selected Canadian Cities with Comparable Population

CITY/CMA ⁽¹⁾	POPULATION (2012) ⁽⁴⁾	POLICE OFFICERS (2013)	POPULATION/POLICE OFFICER (2013)	CRIME SEVERITY INDEX (2012) ⁽⁵⁾	VIOLENT CRIME SEVERITY INDEX (2012) ⁽⁶⁾
Vancouver CMA ⁽²⁾	2,464,189	3,645	676	92.67	92.63
Kitchener-Cambridge-Waterloo CMA	536,793	807	665	58.34	60.93
London CMA	502,384	784	641	74.49	64.09
Surrey Municipality ⁽³⁾⁽⁷⁾	492,930	661	746	123.85	130.19
St Catherines-Niagara CMA	446,676	736	607	63.85	54.13
Halifax CMA	413,512	691	598	74.28	92.36
Average (if applicable)			656	81.25	82.39

1 Census Metropolitan Area

2 Includes the South Coast British Columbia Transit Authority and the Lower Mainland Integrated Teams

3 Note that Population Statistics for the City of Surrey are sourced from the City of Surrey website

4 2012 Population Statistics are used as 2013 CMA Statistics are not yet available from Statistics Canada

5 The Crime Severity Index (CSI) takes into account both the volume and the seriousness of crime. In the calculation of the CSI, each offence is assigned a weight, derived from average sentences handed down by criminal courts. The more serious the average sentence, the higher the weight for that offence. As a result, more serious offences have a greater impact on changes in the index. All Criminal Code offences, including traffic offences and other federal statute offences, are included in the CSI.

6 The Violent Crime Severity Index (Violent CSI) takes into account both the volume and the seriousness of violent crime. In the calculation of the Violent CSI, each violent offence is assigned a weight, derived from average sentences handed down by criminal courts. The more serious the average sentence, the higher the weight for that offence. As a result, more serious offences have a greater impact on changes in the index. All violent Criminal Code offences are included in the Violent CSI.

7 Authorized strength

Sources: <http://www.statcan.gc.ca/pub/85-002-x/2014001/article/11914/tbl/tblo4-eng.htm>; Downloaded on July 16th, 2014

APPENDIX 1 – SUPPLEMENTARY INFORMATION ON POLICING SERVICES IN B.C. AND SURREY

Policing Cost Trends

2.1.178 The policing costs in Surrey increased faster than the Canadian and B.C. averages during the period covered by the audit, though per capita policing costs in the City had been lower than the Canadian average.

2.1.179 As shown in Exhibit 30, per capita policing costs in Surrey had been well below the Canadian average, although the gap narrowed somewhat between 2010 and 2012.

2.1.180 As Exhibit 31 indicates, the City of Surrey’s total policing costs increased considerably faster than the national and provincial levels over the past four years. While policing costs increased by 7.5 per cent in Canada and 4.9 per cent in B. C., Surrey’s increased by 19.3 per cent.

2.1.181 Over the period covered by the audit, policing costs in Surrey increased faster than the combined growth in population and inflation. As Exhibit 1 shows earlier in the report, the per capita cost increase in Surrey was 13.3 per cent, compared to 3.4 per cent inflation.

EXHIBIT 30:
Per Capita Policing Costs in Canada and Surrey

PER CAPITA POLICING COSTS IN CANADA SURREY	2010	2011	2012
Cost Per Capita - Canada	372	377	389
Cost Per Capita - Surrey	203	219	227
Difference	169	158	162

Source: Police Resources in BC 2010-2012 and Statistics Canada

EXHIBIT 31:
Total Policing Costs 2010 - 2013

	2010	2011	2012	2013	% CHANGE
Total Policing Costs	\$ 96,427,000	\$ 106,036,000	\$ 112,017,000	\$ 115,033,000	19.3%

Source: City of Surrey five-year financial plans

AGLG CONTACT INFORMATION

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