

City of Mississauga
Internal Audit Report

COMMUNITY SERVICES DEPARTMENT
RECREATION & CULTURE DIVISION
CULTURE & EVENTS SECTION
EVENT DEVELOPMENT UNIT
CELEBRATION SQUARE AUDIT

February 13, 2024

City Manager's Department
Internal Audit Division

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**COMMUNITY SERVICES DEPARTMENT
RECREATION & CULTURE DIVISION
CULTURE & EVENTS SECTION,
EVENT DEVELOPMENT UNIT
CELEBRATION SQUARE AUDIT**

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- Director, Recreation & Culture
- Manager, Culture & Events
- Manager, Event Development

**Community Services Department
Recreation & Culture Division
Culture & Events Section
Event Development Unit
Celebration Square Audit**

BACKGROUND

Mississauga Celebration Square serves as the venue for a diverse range of free events and festivals throughout the year, highlighting the City's artistic vibrancy, cultural richness, and community spirit. With state-of-the-art multimedia facilities, this dynamic public square stands as a top-tier location for various events. It serves as a hub where residents come together to celebrate our community, embrace our diversity, look forward to the future, and take pride in our unique qualities and innovation.

Within the Recreation & Culture Division, the Event Development Unit of the Culture & Events Section is responsible for coordinating the logistics of all Celebration Square events. Their efforts extend to attracting new festivals and cultural events. This team plans and executes year-round programming, utilizing funding from both provincial and federal grant programs, corporate sponsorships, and the allocated operating budget for Mississauga Celebration Square events. Annual signature events include National Indigenous Peoples Day, Canada Day, Light Up the Square and New Year's Eve. In addition to these pre-planned signature events, the team produces other events that may be planned or unplanned (e.g. Ontario Summer Games Opening Ceremony, Jurassic Park West Raptors Playoff screenings, Bianca Rally, etc.) which are dependent on current trends. The procurement of performers for these City-produced events is governed by a distinct stand-alone by-law, complete with an approval authority matrix.

The cost of performers from November 1, 2022 to October 31, 2023 was approximately \$196,000, of which 98% was subsidized through corporate sponsorships and grants received from various sources. The cost of performers and grants received is dependent on the number of events hosted, therefore can vary significantly year over year. Any shortfalls are supported by divisional budgets, and/or City-approved fund allocations.

SCOPE

The audit focused on the procurement process for performers for City-produced events at Celebration Square from November 1, 2022 to October 31, 2023.

Out of scope

The audit did not review the procurement of other services related to City-produced events and other bookings that are organized by other groups at Celebration Square.

OBJECTIVES

The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing. The purpose of the audit was to ensure that:

- A) The procurement of performers for events produced by the City at Celebration Square adheres to applicable by-laws, corporate policies, and procedures;
- B) The operational procedures are transparent and consistently applied, ensuring evaluation and continuous improvement in the business processes;
- C) Performance agreements, along with all associated documentation, are accurate and complete and are stored in a secure, but accessible manner.

SUMMARY OF OBSERVATIONS

Based on the audit work performed, the procurement process for performers for City-produced events at Celebration Square demonstrates effectiveness in certain areas. This includes thorough planning and brainstorming sessions for event ideas, including the selection of performers. Additionally, there is an established annual programming framework that serves as a roadmap for program planning activities.

However, the audit identified areas for improvement, including updating policy, process and procedures to align with the amended by-law, and strengthening controls around the use of performance agreement templates.

A detailed list of observations and recommendations was provided to management. Appendix A outlines the detailed recommendations and the action plans proposed by management. The main observations and recommendations are summarized below.

Aligning Policy and Process Documentation with Amended By-law 0073-2013 for Execution of Performance Agreements in City-Produced Events

The Procuring Performers for City-Produced Culture Events Policy (05-03-05) and the Mississauga Celebration Square (MCS) Standard Work Artist Booking Process do not align with the signing authority limits outlined in By-law 0073-2013, as amended. This by-law governs the execution of Performance Agreements for procuring performers for City-produced events.

As a result of the inconsistency, a performance agreement was signed by an individual not authorized under the amended By-law 0073-2013. This by-law designates signing authority for Culture Staff Supervisors for amounts up to \$10,000, while the mentioned agreement falls within the range of \$10,001 up to \$50,000, requiring approval and signing by a Culture Staff Manager. The amount approved was nominally over the threshold value; however, staff followed the prescribed authority limits in the divisional procedures, which were misaligned with the requirements under the by-law.

During the audit, By-Law 0188-2023 was enacted on November 24, 2023, amending By-law 0073-2013 to align with organizational position titles resulting from the restructuring of the Recreation & Culture Division.

Updating the pertinent policy and process documentation to reflect the amended by-law will ensure clarity and compliance, and implementing a periodic review of the policy, process and procedures will help assess the need for updates to align with current requirements of the artist booking process.

Ensuring Consistency and Restricted Updates in Performance Agreement Templates

There are two templates available for procuring performers: the MCS Offer and Agreement template and the Abbreviated Performer Agreement template. The use of these templates depends on whether the artist is represented by an agency, if an official offer is required, or for self-represented artists.

Internal Audit identified discrepancies in the wording and missing sections within both templates. For instance, certain sections, such as taxes, were found to be missing on one of the templates. Additionally, variations in wording, such as specified requirements for using the artist's work, were noted between the templates.

These inconsistencies, along with references to an incorrect by-law, could potentially lead to legal implications regarding terms and conditions in the event of disputes. Therefore, it is imperative that any updates made to these templates are consistent and restricted to authorized individuals to ensure compliance and mitigate legal risks.

CONCLUSION

The control environment of the procurement process for performers for City-produced events at Celebration Square needs some improvement, specifically related to updating policy, procedure and process documentation to align with applicable by-laws, and ensuring the most updated versions of performance agreements are used.

This audit resulted in a total of seven (7) recommendations. Management has agreed and committed to completing five (5) recommendations by the first quarter and the remaining two (2) by the second quarter of this year.



Amy Truong, CPA, CMA, CIA
Director, Internal Audit

Auditor: Airene Cunanan, CIA, CISA
Senior Internal Auditor

**Community Services Department
Recreation & Culture Division
Culture & Events Section, Event Development Unit
Celebration Square Audit
Summary of Audit Recommendations**

Rec	Recommendation	Priority (H/M/L)	Comments/Status
1	That the MCS Standard Work Artist Booking Process documentation be updated to reflect the signing authority limits of By-law 0073-2013, as amended, and introduce Step 16 to include the distribution of finalized documents to the Agent/Performer to ensure compliance with the current policies and by-laws.	M	Event Development team has updated the process to reflect circulation of completed agreements and by-law signing authorities. Completed now as team is using the existing approved by-law as standard in the process. Any changes desired for signing authority will initiate a new corporate report and by-law specific to Culture's needs. To be completed by February 23, 2024.
2	That a periodic review of the MCS Standard Work Artist Booking Process documentation be established to verify the necessity of updates to the existing process, policy and by-law, promoting accuracy and completeness in the artist booking process.	M	Event Development Manager will work with Standards and Training team to develop an SOP which will include a bi-annual compliance check as part of quarterly compliance reporting. To be completed by March 31, 2024.
3	That the Procuring Performers for City-Produced Culture Events Policy (05-03-05) be updated to reflect the signing authority limits outlined in By-law 0073-2013, as amended, ensuring alignment and adherence to the authorized limits for executing Performance Agreements in the procurement of performers for City-produced events.	H	Policy 05-03-05 will be updated to reflect signing authority as outlined in By-law 0073-2013, as amended. The change to process effectively nullifies this non-compliance. Once policy change and by-law are updated we will use the updated process. To be completed by March 1, 2024.
4	That a regular assessment of the Procuring Performers for City-Produced Culture Events Policy (05-03-05) and the corresponding By-law 0073-2013, as amended, be established to determine the necessity of updates that align with the current requirements of the artist booking process.	M	Manager, Event Development to work with Standards and Training to develop an SOP to include an annual review as part of quarterly compliance reporting. To be completed by March 31, 2024.
5	That a comprehensive review be performed to determine the appropriateness of each version, identify the correct wordings, and seek legal verification to ensure compliance and accuracy.	H	Event Development to review and complete revisions to ensure accurate wording and compliance. To be completed by March 1, 2024.
6	That a control process be established to ensure updates to both templates are consistent and restricted to authorized individuals.	M	Event Development to lock documents as required and ensure editing is controlled.

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			Manager, Event Development to work with Standards and Training to ensure this is part of annual compliance reporting. To be completed by April 1, 2024.
7	That management determine the minimum standard supporting documentation required to be retained for each performer's file. Considerations include SOPs, periodic quality control reviews and staff training.	L	Standard Operating Procedures to be developed to address steps outlined above. Documentation process to be part of annual compliance reporting. To be completed by April 1, 2024.