

City of Brampton

Presentation: Value for Money Audit of the Brampton Beast

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Introductions - MNP Team



Geoff Rodrigues

CPA, CA, CIA, CRMA, CSC, ORMP

Engagement Partner

Geoff is a Partner in MNP's Enterprise Risk Services practice. Geoff has over 20 years of public practice experience in providing assurance and advisory services to all three levels of government, crown corporations, municipalities, agencies, boards, commissions, delegated authorities, and other organizations in the broader public sector.



Jason Ducharme

MSc.

Subject Matter Expert

Jason is a Partner in MNP's Management Consulting practice and leads the Ontario Public Sector niche. Drawing on more than 30 years of consulting and audit experience, Jason works with leaders, boards and senior executives within the public and private sectors to help ensure value for money is being obtained.



Deepak Jaswal

LLB

Engagement Manager

Deepak holds strong experience working in professional services and supporting a variety of private and public-sector organizations, primarily focusing on supporting public sector organizations with management consulting, internal audit and enterprise risk management.

Audit Background and Objectives

- Brampton City Council agreed to a 3-year sponsorship agreement effective February 2, 2017, to help mitigate the Brampton Beast's predicted financial losses for staying within the City of Brampton ("City"). Brampton City Council agreed to pay \$1.5 million plus HST in three instalments.
- The aim of this agreement was to support the Brampton Beast's continued operations in the East Coast Hockey League at the CAA Centre whilst also promoting the City of Brampton through the purchasing of certain advertising placements and sponsorship opportunities.
- Brampton City Council engaged MNP LLP to conduct a value for money audit. The overall objective of this audit was to determine whether tangible benefits were realized by the City of Brampton as well as an estimate over the extent of those benefits against the \$1.5 million investment made by Brampton City Council. Specifically, MNP looked to assess the following:
 - Were contractual terms as per the agreement met;
 - Evaluate the impact of the agreement on the City of Brampton;
 - Estimate the Return on Investment ("ROI") derived by the City of Brampton from the agreement;
 - Perform a qualitative assessment on the impact of the agreement in areas not referenced or quantified inside the agreement; and,
 - Provide to the City a collection of proposed "lessons learned" that were identified during the conduct of the audit which can be applied to future sponsorship agreements.

Audit Scope and Conclusion

- The scope of this audit was limited to the following:
 - Obtaining an understanding of the agreement between the City of Brampton and the Brampton Beast;
 - Interviewing key stakeholders;
 - Reviewing and analyzing the terms of the agreement along with other supporting information and metrics.
- MNP attempted to determine whether the best prices were obtained for the agreement (economy), maximum benefits were achieved at the lowest cost (efficiency), and the objectives of the agreement were achieved (effectiveness).

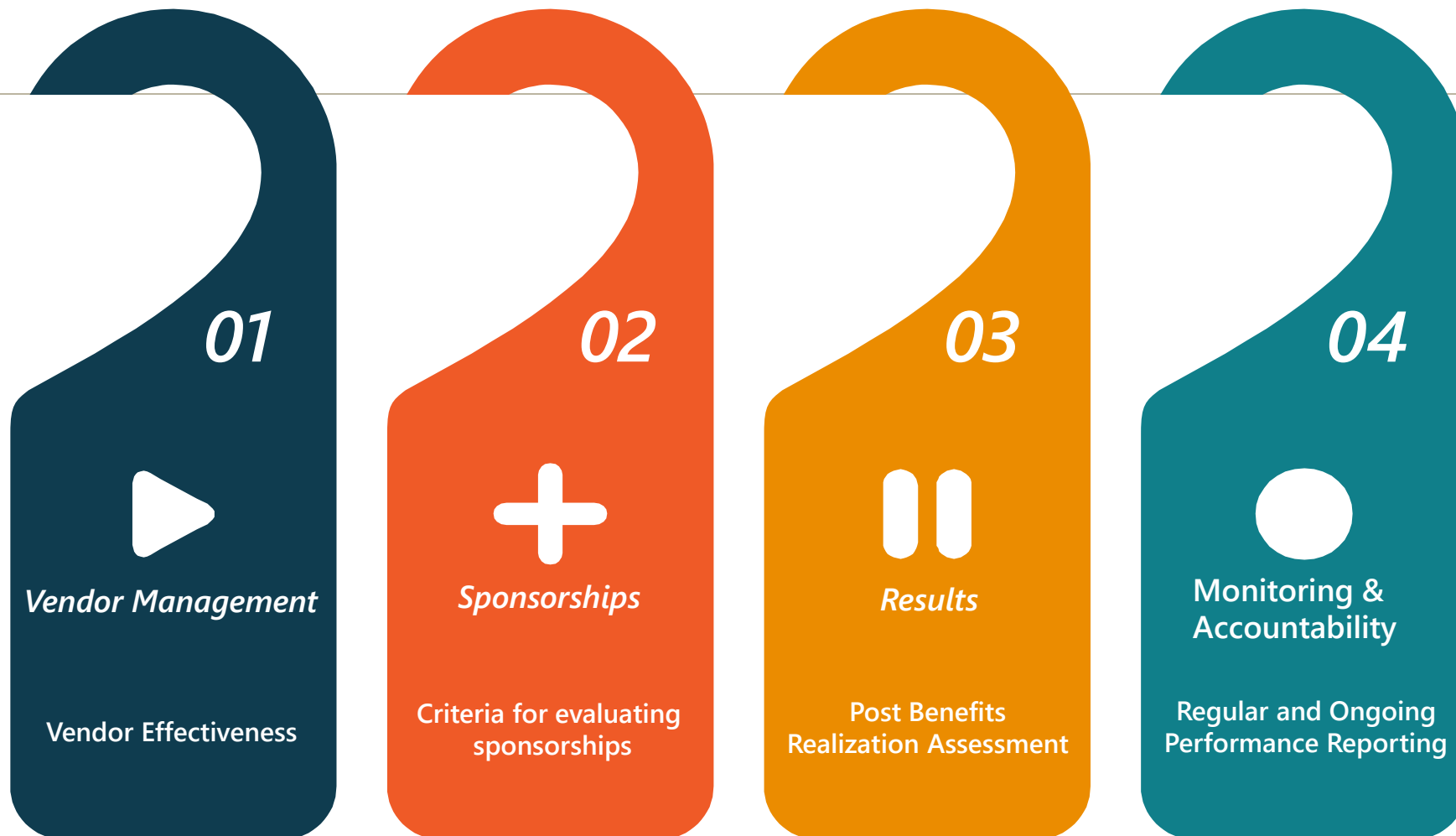
While it appears that all contractual terms in the agreement were met, MNP was unable to definitively say whether sufficient value was obtained. This was due to the following:

- 1: There was no independent City data to verify that the advertising placements and sponsorship opportunities referenced in the agreement were actually met.
- 2: No data was collected by the City during the course of the agreement that could be leveraged to inform the quantitative and qualitative benefits of the agreement.
- 3: The City did not perform any form of market analysis to investigate what other opportunities a similar level of investment could have yielded.

Lessons Learned

MNP identified a number of key focus areas to help the City better manage future sponsorship agreements.

Effective consideration and management of these key focus areas would help position the City to better achieve anticipated benefits from future sponsorship agreements.



Thank You



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