

APPENDIX "A"
Management Action Plan to address the Employer Paid Parking (Value for Money Audit) – AUD13024

INTRODUCTION

The 2013 Performance Audit work plan approved by Council included an audit pertaining to Employer Paid Parking. The results of this audit were presented to the Audit, Finance & Administration Committee on September 9th, 2013 as Performance Audit Report 2013 -13 – Employer Paid Parking (Value for Money Audit) (AUD13024).

Following the approval of AUD13024 by Council on September 11th, 2013, SMT began preparing a Management Action Plan to outline how and when the issues identified within AUD13024 would be resolved. This Management Action Plan is being presented on April 14th, 2014 to the Audit, Finance & Administration Committee as Appendix "A" to Report CM14002.

Report CM14002 speaks directly to actions taken with respect to the data contained within AUD13024 only, which references 2012 calendar year data. As such, Table 1 of Appendix "A" to Report CM14002 also only reflects actions taken in regards to 2012 calendar year data and identified employees not eligible (ENE) for paid parking as part of AUD13024. Implementation of these changes took place Q4 2013 through Q1 2014 and will be maintained through PeopleSoft by Human Resources and Finance Payroll staff.

Given the fluidity of staffing at the City of Hamilton, the number of staff with employer paid parking on any one day can change. As part of the Management Action Plan, Senior Management Team (SMT) commits to undertaking an annual review to ensure compliance with the policy. This review has been undertaken by SMT, for 2013 data, utilizing the revised query developed in response to recommendation #3 noted below.

AUD13024 FINDINGS

The Employer Paid Parking (Value for Money Audit) (AUD13024), identified that 220 City of Hamilton employees (excluding Hamilton Police Services) continue to receive employer paid or are provided parking, even though the eligibility criteria outlined in the current City of Hamilton HR-12-09 Employee Parking Policy (Downtown) is not being met. Should parking privileges be withdrawn from these employees, Report AUD13024 estimates that a total potential gross savings of \$183,239.51 could be achieved.

As a result of the findings of AUD13024, management had already agreed that 36 employees are no longer eligible for paid parking for a gross savings of \$30,875.00. Parking privileges for these employees have already been

withdrawn. Further review identified that 3 employees previously identified as not being eligible have since met the parking policy requirements or are awaiting the results of the policy review. Subsequent actions taken by Senior Management Team resulted in a total of \$73,354.56 savings in parking permit costs as a result of an additional 48 parking privileges being revoked. Table 1 on pg. 6 of Appendix "A" to Report CM14002, highlights these results, all based on the 2012 data used as part of AUD13024.

AUD13024 RECOMMENDATIONS & MANAGEMENT ACTION PLAN RESPONSES

The audit had five recommendations. Four recommendations were put forth as part of AUD13024 that were process related. The intent of these recommendations was to ensure that in the future, personnel records would be more comprehensive and provide for more efficient analysis. The fifth recommendation required SMT to address those employees identified as part of AUD13024, who were identified as employees not eligible (ENE) for employee parking. Each recommendation is noted below with the related Management Action Plan Response.

1. That Payroll label employees in PeopleSoft HRMS who are eligible to receive paid parking and are exempt from the trip requirements outlined in the parking procedure.

Management Action

Complete.

As of April 2014, all employees who receive employer paid parking (regardless of location and reason for exemption) are now labelled in PeopleSoft HRMS, linking parking eligibility and exemptions directly to employment records. This has eliminated the need for secondary lists that previously existed to capture exemptions related to staff not working in the downtown core or secondary lists for record keeping for which exemptions also applied.

The exemptions labelled in PeopleSoft HRMS are based on the policy and are as follows:

1. Grandfathered
2. Elected Officials
3. Collective Agreement
4. Employment Offer
5. Grievance Settlement
6. General Manager Discretion

All employees identified as part of AUD13024 as exempt from the trip requirements outlined in City of Hamilton HR-12-09 Employee Parking Policy

(Downtown), that have maintained parking privileges, have been identified in PeopleSoft by Payroll based on the appropriate exemption label.

2. That, once exempt employees are coded in PeopleSoft HRMS, that Payroll develop a process for departments to communicate changes to Payroll that affect employer paid parking to ensure the population remains accurate and complete.

Management Action

Complete.

The HR Records Co-Ordinator sets up all new hires and makes changes to employee records, including changes in parking eligibility.

As a result of AUD13024 and this Management Action Plan, the HR Records Co-ordinator has been instructed to update the employee's PeopleSoft data, if an exemption was noted in accordance with one of the 6 categories identified in the above response to recommendation #1.

An email was sent from Payroll to Human Resources, HR Records Co-ordinator on October 11, 2013 outlining the process required to be undertaken to ensure the Employer Paid Parking list remains accurate and complete.

3. That Payroll develop a PeopleSoft HRMS query capturing all pertinent information required to carry out the parking eligibility analysis. This query should be made available to departmental staff in order to perform the analysis on a go-forward basis.

Management Action

Complete.

Payroll had already developed queries which were required to calculate the taxable benefit for employees. Using this as a basis, a revised query has been developed to include all pertinent information for Management to undertake a parking eligibility analysis on an annual basis.

Each year, during Q1, Payroll will circulate the query for the previous calendar year to SMT for their annual review to ensure employees who receive employer-paid parking continue to meet the eligibility standards set out in the policy. This review has been undertaken by SMT, for 2013 data, utilizing the revised query developed in response to this recommendation.

4. That Payroll include the employee's work location into the PeopleSoft HRMS query outlined in Recommendation #3. The employee's work location should be factored into the parking eligibility analysis on a go-forward basis.

Management Action

Complete.

The employee work location has been included in the query that was developed for Recommendations #3, to provide a comprehensive report for the annual eligibility analysis.

5. That SMT be directed to address those employees who do not meet the eligibility criteria outlined in the parking policy and procedure (or do not fall under verifiable exclusions). SMT should prepare management action plans by the 2013 calendar year end outlining how and when these issues will be resolved.

Management Action

Complete.

Following Council approval of the recommendations set out in AUD13024 the Senior Management Team reviewed the respective results for their Departments. Of the 220 employees identified as not meeting trip requirements, 36 employees had their parking privileges revoked.

The subsequent SMT review undertaken in formulating this Management Action Plan revoked an additional 48 parking permits for a total savings of \$73,354.56. Table 1 – Departmental Summary (column 5) on page 6 of Appendix "A" identifies the breakdown by Department. Remaining employees identified as Employee Not Eligible as part of the AUD13024 have been noted as exempt in accordance with one of the 6 categories identified in the above response to recommendation #1, where Management has confirmed they are exempt from the policy.

Employer Paid Parking Policy Review

A review of the City of Hamilton HR-12-09 Employee Parking Policy (Downtown) by the Human Resources Policy Review Group is recommended to be undertaken during Q1-Q3 2014. The review will address a number of areas for improvement to the current policy and procedures that were identified as part of discussions that took place with Management and highlighted in AUD13024. Some preliminary research and consultation is already underway in this regard. The review will also address issues noted as part of AUD13024 including:

- How to reflect circumstances not currently covered in the Policy, including when Management and Mayor's/Councillors' Offices exercise their discretion to provide paid parking for employees irrespective of the eligibility requirements outlined in the policy and procedure.
- Updating procedures to reflect the process changes made in PeopleSoft HRMS
- Updating procedures and processes to notify when an employee's circumstances change (e.g. move to another job, retire, etc.)
- Revenue Canada Agency Requirements
- Ensuring effectiveness of the policy for employees that are required to use their vehicle for City business, while meeting Canada Revenue Agency requirements and the intention of the policy.

Recommended changes will be brought forward for Council approval when this work has been completed.

Table 1 – Departmental Summary of AUD13014 results and Management Action Plan

Management Action Plan by Department in response to AUD13024	Employees Did Not Meet Trip Requirements	Potential Savings (\$)	Agreed Employee Not Eligible (ENE) as part of Audit - 39	Additional Revoked Parking Privileges as a result of Management Action Plan as it relates to AUD13024 only	Total Revoked by Department	Total Savings Achieved (\$) as a result of AUD13024
Community Services	96	73,577.00	18 (2)*	23	41	34,004.20
Planning & Economic Development	41	34,195.00	4	16	20	17,038.00
Public Works	45	37,744.55	11	1	12	10,285.00
Corporate Services	15	14,705.36	2 (1)*	5	7	7,975.36
Public Health	11	11,992.60	1	2	3	3,297.00
Mayor's and Councillors' Offices	6	5,135.00	0	0	0	0
City Manager's Office	6	5,890.00	0	1	1	755.00
TOTAL	220	\$183,984.09	36 (3)*	48	84	73,354.56

Summary is based on AUD13024 which references 2012 calendar year data and actions taken by SMT Q4 2013 - Q1 2014 in regards to the numbers identified in AUD13024 only. Subsequent review has resulted in additional changes not captured as part of this report.

* Further review identified as having met trip requirements or are awaiting the results of the policy review (NOT included in savings achieved)