



CITY OF HAMILTON
City Manager's Office
Audit Services

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	September 22, 2014
SUBJECT/REPORT NO:	Follow Up of Report 2012-09 – City Vehicle Use, Allowances & Mileage Claims (AUD14024) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Ann Pekaruk 905-546-2424 x4469
SUBMITTED BY:	Ann Pekaruk Director, Audit Services City Manager's Office
SIGNATURE:	

RECOMMENDATION

That Report AUD14024, respecting the follow up of Audit Report 2012-09, City Vehicle Use, Allowances & Mileage Claims, be received.

EXECUTIVE SUMMARY

Audit Report 2012-09 was originally issued in May, 2013 and management action plans with implementation timelines for the six recommendations were included in the Report. In July 2014, Internal Audit conducted a follow up exercise to determine if appropriate and timely actions had been taken. Of the six recommendations made in the original report, there is varied implementation ranging from “Not Completed” to “Completed”. Details of implementation specific to each recommendation are included in Appendix “A” of Report AUD14024.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS (for recommendation(s) only)

Financial: None.
Staffing: None.
Legal: None.

HISTORICAL BACKGROUND (Chronology of events)

Audit Report 2012-09, City Vehicle Use, Allowances & Mileage Claims was originally issued in May, 2013. The report provided six recommendations for improving controls, increasing oversight and accountability and making efficiency improvements.

It is normal practice for Internal Audit to conduct follow up reviews within the 12-18 month period following issuance of the original report to determine whether management action plans committed to by department management have been implemented in a timely fashion.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

- Employee Parking Policy (Downtown) – Policy HR-12-09
- City Vehicle Policy – dated July 7, 2008
- Canada Revenue Agency's (CRA) taxable benefit requirements

RELEVANT CONSULTATION

The results of the follow up were provided to management responsible for the operation and administration of City vehicle use, allowances and mileage claims: Corporate Assets & Strategic Planning Division, Public Works Department; Financial Services Division, Corporate Services Department; and the Human Resources (HR) Division of the City Manager's Office.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

(Include Performance Measurement/Benchmarking Data if applicable)

The report attached as Appendix "A" to Report AUD14024 contains the first three columns as originally reported in Report 2012-09 along with an added fourth column indicating Internal Audit's comments as a result of the follow up work.

The original report contained six individual recommendations. One of the recommendations applied to Public Works (Fleet), Corporate Services (Payroll) and the City Manager's Office (Human Resources), each with its own area of implementation responsibility. The City Vehicle Section of the City's Central Fleet Policy is on hold pending the outcome of the Service Delivery Review (SDR) and the Employee Parking Policy has been drafted but is awaiting SMT's approval, resulting in "In progress" status for both portions. Payroll has provided comments on the Parking Policy and Procedure (completed status) but since Central Fleet Policy development has been delayed, no comments have been provided (incomplete status).

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Of the five remaining recommendations, four are completed: a report indicating employees receiving more than one benefit is run every month with any discrepancies being sent to departmental management for investigation; a reminder to report all trips was sent to staff; Council approved reimbursement of up to \$200 for insurance charges for non-union staff using their personal vehicles for business use; and staff communication provided the details required to be included on the *Statement of Mileage and Other Expenses* form.

For the one recommendation that has been initiated, the Travel Benefit Policy has been drafted and is awaiting approval by SMT.

Audit Services conducted this follow up assignment in conformity with the *International Standards for the Professional Practice of Internal Auditing*. Audit Services believes that the work performed provides a reasonable basis for the follow up comments and conclusions.

ALTERNATIVES FOR CONSIDERATION

(Include Financial, Staffing, Legal and Policy Implications and Pros and Cons for each alternative)

None.

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN

Strategic Priority #3

Leadership & Governance

WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.

Strategic Objective

3.4 Enhance opportunities for administrative and operational efficiencies.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report AUD14024.

ap:jg