

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 24, 2014

Item 2, Report No. 7, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on June 24, 2014.

2 INTERNAL AUDIT REPORT – EMPLOYEE BUSINESS EXPENSES

The Finance, Administration and Audit Committee recommends:

- 1) That the recommendation contained in the following report of the Director of Internal Audit, dated May 26, 2014, be approved;**
- 2) That the presentation by the Audit Project Manager and C2, presentation material entitled “*Employee Business Expense Audit*”, dated May 26, 2014, be received;**
- 3) That the City’s Internal Auditor conduct an audit on Members of Council expenses and this audit be reviewed by an external auditor; and**
- 4) That the Internal Auditor review the Council Expense Policy and bring forward a report for Council’s consideration in 2015.**

Recommendation

The Director of Internal Audit recommends that:

1. The Internal Audit Report on Employee Business Expenses be received.

Contribution to Sustainability

Internal Audit activities and reports contribute to the sustainability of the City by providing advice and assurance that controls supporting the effective delivery of services and programs are effective. Longer term sustainability needs the support of good, efficient risk mitigation strategies. Internal Audit can provide support for that sustainability by providing independent advice and assurance.

Economic Impact

There are no direct economic impacts associated with this report.

Communications Plan

Not applicable.

Purpose

To present to the Finance, Administration and Audit Committee the Internal Audit Report on Employee Business Expenses and to provide an evaluation of operational and process controls, as well as opportunities for improvement.

Background - Analysis and Options

This audit was done to evaluate the effectiveness of controls, processes and procedures in place to mitigate risks that could affect the proper approval and processing of Employee Business Expenses for the City of Vaughan.

The audit was part of the 2012 to 2014 Revised Risk Based Internal Audit Plan previously approved by the Finance, Administration and Audit Committee.

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Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council and supports the strategic goal of organizational excellence.

Regional Implications

Not applicable.

Conclusion

The audit did not find any evidence of inappropriate, duplicate or unauthorized expenses for the period under review. The Audit did, however, identify opportunities to improve controls of the business expense process by:

- Providing formal guidelines for how employee business expenses are to be allocated.
- Performing better data analyses over employee spend.
- Reviewing and if necessary, developing policies and procedures to provide more transparency and clarity over employee expectations as it relates to employee business expenditures.
- Implementing automated work flow solutions for managing the employee business expense process.

Attachment

Internal Audit Report – Employee Business Expenses

Report prepared by:

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Director, Internal Audit

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)