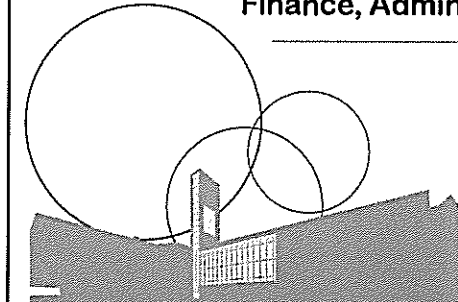


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## Employee Business Expense Audit

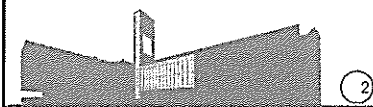
Finance, Administration and Audit Committee

Monday May 26, 2014



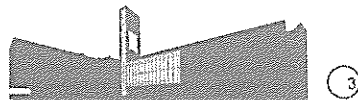
## Today's Presentation

- Audit Objective, Scope and Methodology
- Audit Conclusion
- Audit Recommendations
- Management Response and Action Plans
- Next Steps
- Questions



## Audit Objective

- To evaluate the effectiveness of the controls, processes and procedures in place to mitigate the business risks associated with managing employee business expenses.



## Audit Scope & Methodology

- Review of existing City Policies and Procedures
- Staff interviews
- Data analytics
- Sampling of physical expense submissions
- Review period was January – December 2013.
- \$453,000 - approximate employee spend.
- \$12,000 – approximate SMT spend through AMEX.

**Not in Scope:** → VPL and Council Expenses



## Audit Conclusion

- No evidence of inappropriate, duplicate or unauthorized expenses for the period under review.
- Opportunities exists to strengthen controls over the employee business expense process.



## Audit Recommendations

1. Providing formal guidelines for expense allocation.
2. Enhancing data analyses over employee spend.
3. Providing more transparency & clarity over expectations as it relates to employee business expenditures.
4. Implementing automated work flow solutions for managing the employee business expense process.



## Management Action Plans

1. Providing formal guidelines for expense allocation:

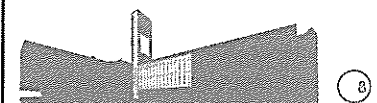
- Review of expense accounts & streamline where possible.
- Development of a list of accounts and guidelines on appropriate use.
- Communication plan and training.



## Management Action Plans

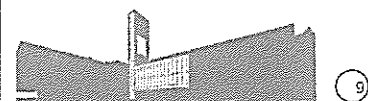
2. Enhancing data analyses over employee spend:

- Quarterly reviews
- Identifying and investigating areas of concern



## Management Action Plans

3. Providing more transparency & clarity over expectations as it relates to employee business expenditures:
  - Identification of processes where business demands may have changed/evolved.
  - Eliminate or develop or enhance policy, procedures and appropriate parameters.



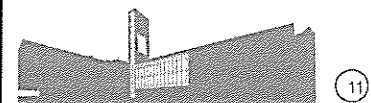
## Management Action Plans

4. Implementing automated work flow solutions for managing the employee business expense process.
  - City wide Procure to Pay review will provide further recommendations and actions for improvement.



## Next Steps

- Action plans have been developed.
- Implementation is underway.
- Internal Audit will follow-up and report on the status of these action plans.



## Questions?

