

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 25, 2012

Item 6, Report No. 8, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on September 25, 2012.

6 ACTION PLAN TO ADDRESS ISSUES IDENTIFIED IN THE INTERNAL AUDIT REPORT

The Finance and Administration Committee recommends approval of the recommendation contained in the following report of the City Manager, dated September 10, 2012:

Recommendation

The City Manager in consultation with the Commissioner of Strategic and Corporate Services and the Manager of Compensation/Benefits & Health and Safety recommends:

That the following action plan be received.

Contribution to Sustainability

Not applicable.

Economic Impact

Improve effectiveness of risk management, control and governance processes that impact all City departments.

Communications Plan

The agenda containing this report is available in the office of the City Clerk and on the City's website.

Purpose

To present to the Finance and Administration Committee, a detailed action plan that addresses the range of issues/recommendations contained in the Internal Audit Report of the Human Resources Department.

Background - Analysis and Options

On May 8, 2012 Council adopted without amendment the recommendation contained in Item 1, Report No. 5 of the Finance and Administration Committee. (Attachment 1)

Recommendation No. 2 of the report states:

"That the City Manager prepare and present a detailed report to Committee prior to the summer hiatus providing a plan of action to address the range of issues identified in the Human Resources Department audit report; that a subsequent follow-up report be provided prior to the end of 2012 and a further report prior to the 2013 summer hiatus".

Attachment 1 is a summary of the recommendations made by the City's internal auditor and the Corporation's proposed action(s) as a mechanism to address the identified issues.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 25, 2012

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Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council including Valuing and Encouraging a Highly Motivated Workforce, Attracting, Retaining and Promoting Skilled Staff, Demonstrating Effective Leadership and Supporting the Professional Development of Staff and the necessary resources have been allocated and approved.

Regional Implications

Not applicable.

Conclusion

The above noted action plan has addressed all of the recommendations made in the Internal Audit Report of the Human Resources Department. Of the 18 recommendations, 12 are completed and 6 are in progress. Staff continues to work cooperatively with front line Supervisors, Managers, Directors and Commissioners to address issues proactively, improve staff engagement, find efficiencies in the delivery of services to our clients and minimize risks to the organization.

Attachments

1. Action Plan

Report prepared by:

Demetre Rigakos
Manager, Compensation/Benefits & OHS

(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.)

FINANCE AND ADMINISTRATION COMMITTEE – SEPTEMBER 10, 2012

ACTION PLAN TO ADDRESS ISSUES IDENTIFIED IN THE INTERNAL AUDIT REPORT

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Demetre Rigakos
Manager, Compensation/Benefits & OHS

Respectfully submitted,

Clayton D. Harris, CA
City Manager

Attachment 1 – Action Plan:

AUDITOR'S RECOMMENDATION¹	CORRECTIVE ACTION PLAN	AUDITOR'S RESPONSE	STATUS
Crossing Guards 1. Perform random spot checks to confirm Crossing Guard is on duty and that City procedures and expectations are followed. Keep records for audit purposes.	1. The Crossing Guard Coordinator is conducting complaint driven checks and maintaining records of findings. In addition, they address performance issues in a supportive and proactive manner to ensure service standards are maintained/achieved. Effective immediately, the Crossing Guard Coordinator will be conducting proactive random checks in an effort to ensure employee compliance with the City's expectations.	The Corrective Actions with respect to Crossing Guards are deemed satisfactory in addressing the issues raised.	Completed
2. Crossing Guards who are totally absent from scheduled duty should not be paid for missing that duty unless there are valid reasons. The 3 hour minimum should not apply in these cases. The 3 hour minimum should only apply when they perform their daily scheduled duties.	2. The Crossing Guard Coordinator monitors the performance of the crossing guards and addresses any specific performance issues in accordance with the City's policies and procedures. Hence no further action is required for this issue.		Completed
3. Crossing Guards should be reminded to not sit in their vehicles but to assist students in crossing when they are at the crosswalk	3. Given the health and safety considerations of our staff, the job itself and the weather, Crossing Guards are advised to remain in their vehicles when there are no students crossing. They have been advised to leave their vehicle and be at the cross walk by the time the students arrive at the cross walk. Hence no further action is required for this issue.		Completed

¹ The auditor's recommendations have been summarized/ synthesized for the purpose of this report.

AUDITOR'S RECOMMENDATION ¹	CORRECTIVE ACTION PLAN	AUDITOR'S RESPONSE	STATUS
<p>4. At the start of each semester, written procedures should be re-issued to Crossing Guards on the required duties of the job and the health and safety issues to reaffirm job procedures.</p> <p>5. Crossing Guards, who are paid <i>more</i> than 3 hours per the timesheets, should have their hours verified to their scheduled hours to ensure that they agree.</p>	<p>4. Crossing Guards will continue to be trained once per year in August prior to beginning the school year in aggregate. In addition, training will continue to be provided during orientation sessions and/or when performance issues arise. Hence, no further action is required for this issue.</p> <p>5. Audits are conducted semi-annually and when changes occur with respect to crossing guards and their locations/times so as to minimize administrative errors that may occur. Hence no further action is required.</p>		<p>Completed</p> <p>Completed</p>
<p>Access to Employee Master Files</p> <p>6. Only the 3 Human Resources staff should be allowed to access the Employee Master File database and make employee changes (bank, tax, deductions from payroll, add and terminate employees).</p>	<p>6. The issue of access to the Master Files by payroll staff has been addressed. Human Resources has implemented the recommendations contained in the report, hired and trained an administrative coordinator that has absorbed this function and the system has been updated to remove the access to Master Files from payroll staff members.</p>	<p>The hiring of additional staff in 2012 budget to implement the recommended change will improve controls and reduce risk.</p>	<p>Completed</p>
<p>Worksite Hazard Assessments</p> <p>7. The procedure on Job Hazard Analysis should be distributed by the Human Resource department to all City departments. All departments should be reminded to perform an assessment on</p>	<p>7. Human Resources staff has distributed the Job Hazard Procedure to all departments and are working closely with each department to provide support and guidance in having all Job Hazard Analysis done. To date, 50% of all assessments have been completed and our target is to have them all done by year end 2012. In addition Human</p>	<p>The recommendations have been addressed. Follow ups will be done to determine the progress of the corrective actions.</p>	<p>In progress</p> <p>Expected completion date 31/12/2012</p>

AUDITOR'S RECOMMENDATION ¹	CORRECTIVE ACTION PLAN	AUDITOR'S RESPONSE	STATUS
worksite hazards at least annually. The Human Resources Specialist, Workplace Health and Safety should request from each City department the inventory of all job hazards.	Resources staff are working closely with City departments to review the completed Job Hazard Analysis, assist in ensuring departments are identifying appropriate controls to minimize the health and safety risks including training and instruction to City employees.		
<p>Lockdown Procedures</p> <p>8. The lockdown procedure should be reviewed with the appropriate departments and third parties, for finalization, approval and consideration for implementation to the Emergency plans for various City buildings.</p> <p>9. Each department should educate staff on the procedures including workplace violence procedures</p>	<p>8. A team of City staff from the Human Resources Department, Emergency Preparedness Department and Building & Facilities are currently reviewing all City buildings to ensure workplace violence assessments previously done are capturing and prioritizing risks. Where risks are identified that can be minimized through the implementation of a "Lockdown Procedure" Building and Facilities who acts as the landlord for security and emergency procedures is taking the lead in addressing this issue. The target completion date of this project is January 31, 2013.</p> <p>9. All City staff have received training on the City's Workplace Violence Policy and Procedures. Newly hired staff receive training during their orientation. In addition, Human Resources staff schedules refresher training on this topic annually. Hence no further action is required.</p>	<p>The corrective actions have been noted. Follow ups will be done to determine the progress of the corrective actions.</p>	<p>In progress</p> <p>Expected completion date 31/1/2013</p> <p>In progress</p> <p>Expected Completion date 31/1/2013</p>

AUDITOR'S RECOMMENDATION ¹	CORRECTIVE ACTION PLAN	AUDITOR'S RESPONSE	STATUS
<p>PERFORMANCE APPRAISALS</p> <p>10. The Human Resources department should regularly (quarterly) notify each department of all outstanding performance appraisals.</p>	<p>10. A new process has been implemented on the City's JDE system that provides for reminders, through a "workflow" process, to each staff member responsible for conducting the evaluation. In addition, Human Resources staff are working closely with each department to ensure coaching, training, support is provided to the City's front line staff in getting these evaluations up to date. Further, training for managers has been enhanced to include greater tools related to more effective communications as well as how to conduct a performance review. The new training will be rolled out starting in September 2012. The Commissioner of Strategic and Corporate Services and management with the HR Department have also recently initiated a process to complete all outstanding staff appraisals by the end of 2012.</p> <p>This performance appraisal form and process is also being reviewed, but is not related to the issue raised in the Auditor's report.</p>	<p>The updates to the JDE system implemented in early 2011 implemented workflow which advises Commissioners, Directors and Managers or the effective dates of required performance appraisals and step increases. This should improve the process and reduce outstanding appraisals.</p>	<p>In progress</p> <p>Expected completion date 31/12/2012</p>
<p>EXIT INTERVIEWS</p> <p>11. Recommendations from the auditor included updating the exit interview questions, sharing the feedback with the appropriate level of management and developing an action plan to address any areas of improvement</p>	<p>11. All permanent full time employees departing voluntarily are offered an opportunity to have an exit interview. Questions have been updated to include the auditor's recommendations. Human resources is providing the appropriate level of feedback to either the department head, commissioner or senior management team on a periodic basis to ensure areas for improvement are identified and addressed immediately and confidentiality is respected.</p>	<p>The corrective actions will improve the process and provide feedback to SMT.</p>	<p>Completed</p>

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<p>EMPLOYEE TRAINING & DEVELOPMENT</p> <p>12. For Budget 2011, additional staff requirements should be identified and be included in the budget together with consultant fees so that the deliverables as approved by SMT are attainable. Human Resources should be advised of any and all training that staff receive, be it internal or external so that an accurate history of training can be tracked and maintained.</p>	<p>12. All recommendations have been implemented. In 2012, Human Resources hired its first Learning and Development Specialist who has been developing program content and will start delivering programs in the fall of 2012. All training received by staff is being tracked centrally for the entire organization to help us identify skill gaps and determine future needs of staff.</p>	<p>The corrective actions will address the areas for improvement</p>	<p>Completed</p>
<p>FIELD PURCHASE ORDERS</p> <p>13. The purchasing policy should be followed for all purchases. Purchases under \$3000 require a Field Purchase Order and purchases over \$3000 require a Purchase Order. The Cheque Requisition can be used in special circumstances only and should not replace the use of the FPO or PO. Invoices should be signed to indicate review, agreement to the charges for quantity, description and price and approval for payment. Field</p>	<p>13. Human Resources staff has been trained on purchasing guidelines. All expenses are handled by the same staff person to ensure consistency with the approved process and staff work closely with the purchasing department to ensure compliance with applicable policies and guidelines. Hence, no further action is required.</p>	<p>Training by the Purchasing department has provided Human Resource staff with knowledge on the use of the Field Purchase Order and Purchase Order. The follow up audit process will be done to verify that Purchasing policies are being followed.</p>	<p>Completed</p>

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<p>Purchase Orders/Purchase Orders should be made out before goods/services are ordered and not after they have been received. A Field Purchase Order/Purchase Order is a contract between the City and the Vendor binding the buyer and seller to the agreed items/service at the agreed price.</p>			
<p>EXPENSE CLAIM FORMS</p> <p>14. Expense Claim Forms should be completed as intended (i.e.) the "GST incl" and "Net" columns should be filled in. If mileage is claimed, then the current mileage policy should be adhered to in terms of travelling directly from home to the destination. One should not use one's discretion on how to claim mileage if there is a policy.</p>	<p>14. All expense claim forms are completed in accordance with the recommendations in the audit report. Human Resource staff have been re-trained on the expense policy by Finance and they have also received refresher training on the mileage policy. Hence, no further action is required.</p>	<p>Although the signing of receipts is "best practice" internal control for accountability and transparency, there is adequate control in that the supervisor signs the Expense Claim Form of the employee. The auditor accepts the corrective action explanation. Training on the Expense Claim Forms and Mileage Policy will provide information on how to complete the Expense Form and apply the Mileage Policy.</p>	<p>Completed</p>

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<p>INVOICES NOT CONSISTENTLY SIGNED</p> <p>15. It is recommended that all invoices should be signed to indicate that the charges are correct, the items/services have been received and that there is approval for payment.</p>	<p>15. The recommendation has been fully implemented and staff sign off on all invoices. Hence no further action is required.</p>	<p>The corrective action will result in consistency in the approval process of all invoices</p>	<p>Completed</p>
<p>PERSONAL EXPENSES OF A POTENTIAL CANDIDATE</p> <p>16. Expenses of a personal nature which are not related to City business <i>in excess of the extra reasonable day</i> should not be paid by the City unless there were extenuating reasons which should be documented on file. Invoices should be signed to indicate they have been reviewed and approved for payment.</p>	<p>16. Staff will continue to review expenses submitted through search consultants on behalf of candidates to determine reasonableness. In this one instance identified by the auditor it was reasonable to pay for the additional day of travel. Hence, no further action is required.</p>	<p>Corrective action response is acknowledged.</p>	<p>Completed</p>
<p>BANKED VACATION DAYS MORE THAN 60</p> <p>17. It is recommended that 1) Either the by-law is revised to increase the 60 day limit or 2) employees should be more frequently informed to take vacation so that their accumulated vacation days in reserve, are within the 60 day limit as</p>	<p>17. HR staff will provide memos to employees and their immediate Supervisor/Manager who have in excess of 60 days of vacation. Copies will be forwarded to the Department Head, Commissioner and City Manager. Managers will continue to encourage their staff to use their annual vacation as well as a portion of their vacation in reserve and balance the desire</p>	<p>Corrective action response is acknowledged.</p>	<p>In progress</p> <p>Expected completion date 31/12/2012</p>

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per the by-law.	for staff to use their full vacation entitlement against the needs of the Corporation, i.e. other vacancies, special projects etc. Our analysis of the records indicates that many staff did not utilize their annual allotment of vacation as they were completing other priority projects although most did take some vacation. On a go forward basis, staff will be expected to document as to why they were unable to utilize their full annual allotment. Human Resources will consider additional options and report back to the City Manager before the end of 2012.		
BENEFIT INSURANCE COSTS 18. The Human Resource department should issue an RFP (Request for Proposal) to insurers of benefit insurance, to obtain bid prices so that the department will have comparative information from other benefit insurance providers.	18. The Benefits RFP has been completed and released. We anticipate bringing a recommendation to Council once the evaluation process has been completed.	The response is noted. The HR department has commenced action to address the audit concern. Internal Audit will follow up as to its status on a periodic basis	In progress Expected completion date 31/12/2012