



**INTERNAL AUDIT
MEMORANDUM**

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TO: MAYOR J. LEHMAN AND MEMBERS OF COUNCIL

FROM: S. MACGREGOR, DIRECTOR OF INTERNAL AUDIT

NOTED: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RE: 2020 YEAR TO DATE INTERNAL AUDIT STATUS UPDATE

DATE: SEPTEMBER 14, 2020

The purpose of this Memorandum is to provide members of Council with a 2020 Year to Date Internal Audit Status Update.

The table below provides a summary of the Internal Audit activities performed from January to August 2020:

#	Project	Focus	Status
1	Procurement	Follow Up	Complete
2	Fleet Inventory	Process Review	Complete
3	Continuous Auditing	Compliance	In progress
4	Fraud Risk Assessment Update	Entity Level Controls	In progress
5	MTO Driver Certification Program	Compliance	In progress
6	Sadlon Arena Third Party Agreements	Compliance	Deferred
7	Fraud & Wrongdoing Program Oversight	Consulting	Ongoing

In addition to the projects noted above, Internal Audit provided consulting services to City departments as requested and conducted 7 confidential investigations. The projects in progress will be included in the next Internal Audit update to the Finance and Corporate Services Committee.

COVID-19 IMPACT

Like all businesses, 2020 to date has not been what we expected. From March to present, Internal Audit worked remotely in accordance with safe working protocols for COVID-19. Internal Audit's working capacity was also reduced from late April through June with the City's efforts to minimize costs during the pandemic. Internal Audit re-evaluated the department's priorities for the year to ensure we could provide support to the organization as needed. Projects we intended to complete earlier this year were paused to allow City departments to focus on essential service priorities. When City departments were not accessible, we strengthened critical internal audit resources and performed planning for future audits to enable us to mobilize more efficiently as projects proceed in the remainder of 2020.

In recent months, we resumed work on select projects from our approved work plan with necessary modifications to ensure physical distancing and other safety protocols. A future of contactless auditing lies ahead where we will continue to innovate and modify traditional audit methods to effectively achieve our objectives in a COVID-19 environment.



PROCUREMENT FOLLOW UP

Background

The findings, observations and recommendations from Internal Audit's Procurement review were presented to the Finance and Corporate Services Committee on April 26, 2017. There were fourteen recommendations made related to the following areas:

Area	# Recommendations
PCards	7
Expense reports	1
Purchase orders	6
Total	14

Internal Audit performed a follow up review to assess the status of the recommendations to ensure that appropriate and timely actions had been taken.

Objective

Assess the status of recommendations from the Procurement review performed in 2017.

Methodology

The following activities were performed:

- a) Meetings with the Manager of Purchasing;
- b) Discussions with Finance staff;
- c) Judgmental sampling of PCard transactions;
- d) Review of supporting documentation for selected PCard transactions to assess compliance with policies and procedures; and
- e) Review of procurement policies and procedures.

Conclusion

Finance implemented seven of the fourteen recommendations made by Internal Audit in the 2017 review. The remaining seven recommendations are in various stages of completion which we will continue to monitor until they are achieved.

Findings

Appendix "A" contains the first three columns originally reported in 2017 along with a fourth column containing Internal Audit's follow-up comments.

FLEET INVENTORY

Background

The City's Fleet Services Branch ("Fleet"), part of the Operations Department, manages the City's fleet of over 700 corporate vehicles and pieces of equipment. The different types of fleet equipment maintained includes light/medium/heavy vehicles, turf maintenance equipment, snow control equipment, handheld motorized tools and mechanical support for the Fire department. Fleet staff supply, maintain, and dispose of vehicles and equipment for the City's business operations.

Fleet vehicles and equipment are used by more than 10 different City businesses and are stored at more than 20 locations across the City.

Fleet uses Computerized Fleet Analysis (CFA) software to track costs incurred from acquisition to disposal for each vehicle and piece of equipment maintained by Fleet staff. The CFA software has been in use by the City since 1996.

Shop Floor, an electronic work order system, is used by Fleet Technicians to create work orders and input labour and materials for maintenance and service work on fleet vehicles and equipment. Shop Floor work order data is uploaded to CFA during the month end close process. Service work completed off-site is input directly into CFA from the invoice by Operations Department administration staff.

Due to the age and limitations of the CFA software, Fleet Management initiated discussions with the Information Technology Department to assess other potential fleet management options, including SAP's Plant Maintenance module.

Objective

To review the processes and controls related to fleet inventory.

Methodology

The following activities were performed:

- a) Meetings with staff in the Fleet Services branch;
- b) Meetings with the City's Insurance Risk Examiner;
- c) Meeting with staff in the Finance department;
- d) Consolidation and analysis of fleet inventory lists as at December 31, 2019 received from Fleet, Finance, and Insurance (the "Business Fleet Inventory Lists");
- e) Generate an export of 'Equipment ID' list from CFA to assemble a comprehensive fleet listing and compare with the Business Fleet Inventory Lists received for completeness and accuracy;
- f) Identify assets noted as 'Active' in CFA not included in the Business Fleet Inventory Lists and valued greater than \$5,000 (which was used in our review as the minimum cost threshold and consistent with Finance's threshold for the capitalization of Fleet assets);
- g) Physical verification of the existence and location of City fleet assets; and
- h) Review of security access for users in CFA.

Our scope included City owned vehicles and equipment purchased by or maintained by Fleet but did not include Transit. The City owns Transit fleet assets, however Transit buses and vehicles are insured and maintained by a private contractor.



Conclusion

Complete and accurate fleet inventory data is required to ensure effective asset management, accurate financial reporting and appropriate insurance coverage for fleet assets. The processes to communicate, manage and reconcile fleet data are not currently documented. Our physical verification of fleet assets and the accuracy of fleet master data identified inconsistencies.

Based on the work performed, the City's processes and controls for managing fleet inventory can be improved. Internal Audit's recommendations will strengthen the existing controls for fleet inventory management.

Findings

When an asset purchased by Fleet is delivered to the City, or arrives at Fleet for repair, Fleet staff input asset information into CFA from the purchase invoice including:

- year,
- make,
- model,
- license plate,
- vehicle identification or serial number,
- fuel capacity,
- information about timing of safety inspections,
- routine maintenance timing, and
- the business group to which it belongs.

CFA assigns a unique sequential unit number based on the year the asset is put into service and its asset class. Once an asset is assigned a unit number, it is marked on the exterior of vehicles and equipment for identification by business and fleet staff before it is put into service.

When a licensed vehicle is purchased, the Fleet Services Foreperson e-mails the Insurance Risk Examiner a copy of the ownership, which provides the required vehicle details, and the expected date of arrival. The Insurance Risk Examiner contacts the City's insurer to add the vehicle to the City's automobile policy and adds the vehicle information into ClearRisk, a risk management software. Prior to the purchase of ClearRisk in 2019, the Fleet insurance information was tracked using a Microsoft Excel spreadsheet.

The Insurance Risk Examiner advised the City has 28 days to add a vehicle to the automobile insurance policy. Equipment is covered under a blanket insurance policy, therefore fleet equipment assets do not need to be documented separately for insurance purposes.

When a vehicle is removed from service and taken to auction to liquidate its residual value, the Fleet Services Foreperson advises the Insurance Risk Examiner and Fleet Manager by e-mail that the vehicle has been removed from service. The "Status Indicator" field in CFA is updated to reflect the vehicle's disposal. The process of adding and removing vehicles from service, and insurance coverage, occurs throughout the year.



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Finance requires vehicle and equipment inventory information to capitalize assets for year-end reporting. The Tangible Capital Analyst reviews capital project and operating accounts in SAP for vehicle purchases and equipment that meet a \$5,000 threshold for capitalization as machinery and equipment. The Tangible Capital Analyst confirms with the Fleet Manager whether identified vehicles or equipment are in service and the assigned unit identification number. The Tangible Capital Analyst reviews the purchase invoices to verify details for Finance's records. When the asset is capitalized by Finance, SAP assigns it an SAP asset number which differs from Fleet's unit identification number.

Observations identifying areas for improvement, recommendations and management's response are summarized in Appendix "B". The recommendations relate to the following areas:

Area	# Recommendations
Operational	4
System Access and Functionality	2
Procedures	1
Total	7



Appendix A – Procurement Observations, Recommendations, Management Response and Follow Up

Observation	Recommendation	Management Response	Follow Up
<p>PCARDS</p> <p>1. Employees with a change in work status</p> <p>Instances where PCards for employees with a change in employment status (i.e. ceasing employment with the City, commencing a leave of absence) were not deactivated at time of departure.</p> <p>Transactions were made on PCards of employees who were not actively employed at the time of purchase.</p> <p>Instance where a PCard approver no longer works with the City.</p>	<p>Review the procedure for obtaining and deactivating PCards upon an employee's change in status to ensure current PCard status is appropriate.</p> <p>Verify that all current PCard holders and approvers are current employees at the City and ensure departed employee's cards have been cancelled.</p> <p>Review PCard transactions for departed employees and determine the nature/cause of transactions made after departure.</p>	<p>In response to continually improve the City's internal controls, a new PCard Policy and PCard procedures manual was rolled out to City staff with training completed in March 2017. As well, the City's PCard provider, Bank of Montreal (BMO), introduced a new PCard interface that has improved reporting functionality.</p> <p>The new policy clarifies roles and responsibilities. Supervisors are required to advise the City's PCard Administrator in Purchasing of any changes in status of their staff. Work is underway with HR to review and update the employee exit process, to ensure any PCards are cancelled immediately. The PCard Administrator will be reviewing the PCard holder list quarterly.</p> <p>The PCard holder listing has been reviewed and updated. All PCards for departed staff have been cancelled.</p> <p>PCard transaction records for departed employees have been reviewed, and no additional transactions were found after departure date.</p>	<p>Status: Complete</p> <p>Finance issued a new PCard Policy and new PCard procedures in March 2018 which clarify roles and responsibilities related to staff changes in work status.</p> <p>All PCard holders were reviewed and confirmed to be current employees at the City.</p>



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Observation	Recommendation	Management Response	Follow Up
<p>2. City of Barrie purchases</p> <p>PCard purchases were charged to the City of Barrie.</p>	<p>Review City of Barrie purchases on PCards and determine alternative methods of charging departments to avoid transaction and commission charges associated with PCard purchases.</p>	<p>As part of the staff training in March 2017, this issue was identified and communicated to staff.</p> <p>Staff within Purchasing and Accounting, will develop and communicate a process for inter- departmental charges by using journal entries.</p>	<p>Status: Complete</p> <p>A review of PCard transactions from 2019 identified 534 transactions totalling \$13,971.51 paid to City of Barrie vendors.</p> <p>Purchasing and Accounting have assessed the use of PCards for payments to City vendors and determined that the administrative cost associated with interdepartmental charges exceeds the commission charges for the purchases therefore no changes to existing processes will be made.</p>
<p>3. PCard limits</p> <p>PCard limits by title are not consistent.</p>	<p>PCard limits should be reviewed by both function and level to standardize as appropriate.</p>	<p>The new PCard policy established threshold limits into four categories. General Managers (GM) and Executive Directors (ED) approved the required categories for their staff.</p> <p>The diversity of roles across the City, and the need for efficient procurement methods, results in different limits for positions with similar titles. However, Purchasing will review with operating departments to find opportunities to better align PCard limits by title.</p>	<p>Status: Complete</p> <p>Threshold limits for PCards exist in four standard categories which are approved by the General Manager or Executive Director.</p> <p>On an annual basis, the PCard administrator provides PCard approvers with lists of PCard holders to ensure the limits and cardholders are appropriate.</p>



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		On an annual basis, the PCard administrator will monitor and review spending patterns of PCard users with GM's/ED's to ensure limits on cards are appropriate.	
<p>4. Signing Authority Listing</p> <p>Signing Authority Listing does not include all PCard holders.</p>	Review the Signing Authority Listing to ensure a consistent approach to PCard holder inclusion.	The signing authority listing was reviewed and updated in 2016. Accounting Services and Purchasing will review and reconcile to ensure consistency between PCard holders and signing authority.	<p>Status: In Progress</p> <p>Accounting and Purchasing are in the process of reconciling the Signing Authority Listing and the PCardholders and approvers.</p>
<p>5. PCard documentation and use</p> <p>Instances where PCard receipts and statements were not contained in the accounting records.</p> <p>Instances where purpose of meals and attendees is not specified.</p> <p>Instance of card used by someone other than cardholder.</p> <p>PCard reconciliations and documentation not received by Finance within the timelines set out in policy requirements.</p> <p>Timing of submission of claims</p>	<p>Ensure records are obtained from each cardholder on a timely basis.</p> <p>Educate cardholders regarding documentation and use requirements.</p>	<p>As part of the PCard Policy training in March 2017. PCard holders and approvers were reminded of their obligations under the PCard Program. This included providing guidance on record keeping and the PCard approval process.</p> <p>The PCard administrator and Accounting Services will continue to monitor and provide reports to Supervisors and the Senior Management Team.</p>	<p>Status: In Progress</p> <p>Follow up testing for a sample of PCard holders noted similar findings to the initial review including:</p> <ul style="list-style-type: none"> • Lack of supporting documentation for purchases • Potential transaction splitting • Exceeding authorized limits <p>The PCard administrator and Accounting Services continue to monitor and provide reports to departments when reconciliations are not received on a timely basis.</p> <p>We recommend ongoing monitoring of PCard holder activity be performed to assess compliance with the policy.</p>



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<p>not consistent between policies (PCard, travel, business entertainment). Instances where PCard statement not signed by approver.</p> <p>Photocopied support provided rather than originals as specified in policy.</p>			
<p>6. PCard holder agreements</p> <p>Instances where PCard holder agreements are not signed by the cardholder.</p>	<p>Obtain signatures on all PCard holder agreements to document the holder's agreement and understanding of all terms and conditions including unauthorized personal purchases or use of the card by anyone other than themselves.</p>	<p>The training completed in March 2017 included review of roles, responsibilities, and authorized vs unauthorized personal purchases.</p> <p>All PCard holders' agreements have now been signed.</p>	<p>Status: In Progress</p> <p>In our sample testing, we noted an instance where the PCard holder agreement was not signed by the cardholder.</p> <p>Purchasing will obtain signatures for all cardholder agreements.</p>
<p>7. Unreconciled PCard balances</p> <p>PCards are not fully allocated to GL accounts resulting in unreconciled balances remaining in holding accounts.</p>	<p>Review outstanding balances in PCard holding accounts and follow up with departments to fully allocate. Monitor holding accounts on a monthly basis and follow up to ensure fully allocated.</p>	<p>With recent training, departments are aware of responsibilities to ensure all PCard transactions are appropriately allocated to GL accounts within month end deadlines.</p> <p>Accounting Services and the PCard administrator will continue to work with departments and monitor deficiencies. As well, compliance reports will be provided to the Senior Leadership Team on a quarterly basis.</p>	<p>Status: In Progress</p> <p>The total dollar value of unreconciled staff PCard balances has increased since the initial review.</p> <p>Accounting Services and the PCard Administrator continue to work with departments to address unallocated PCard transactions which result in unreconciled balances in City holding accounts after payment.</p>



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			Ongoing compliance reporting for the Senior Leadership Team has not yet been developed.
<p>EXPENSE REPORTS</p> <p>8. Duplicate payment noted (PCard and expense reimbursement) for reimbursement of expenses for an elected official.</p>	<p>Review the process and forms for expense reimbursement to elected officials to ensure that amounts charged to a PCard are not sent to Human Resources for reimbursement.</p>	<p>Expense reimbursement forms for elected officials have been amended to indicate to whom PCard and reimbursed expenditures should be submitted.</p>	<p>Status: Complete</p> <p>The expense reimbursement form for elected officials has been revised. The form includes a check box to indicate whether expenses are “To be reimbursed” or whether “No reimbursement” is required.</p> <p>Expenses requiring no reimbursement have already been paid (i.e. by P-card) and are submitted strictly for tracking of Council expenses.</p>
<p>PURCHASE ORDERS</p> <p>9. Instances when purchase orders are issued after invoices are received.</p>	<p>Monitor procurement practices and determine cause for purchase orders that are issued after the invoice date.</p> <p>Continue to put standing agreements and non-standard procurement vendor contracts in place to expedite purchasing.</p> <p>Educate departments as to when purchase orders should be created in regular, standing agreement, non-</p>	<p>Purchasing will monitor and develop a quarterly compliance report for the Senior Management Team.</p> <p>Purchasing has allocated a full time resource to work with departments in identifying and creating standing agreements.</p> <p>Continuing from the training that was provided to City staff in 2016. Purchasing is developing a Corporate Procurement Training Program.</p>	<p>Status: In Progress</p> <p>A quarterly compliance report for the Senior Management Team has not yet been developed.</p> <p>Purchasing monitors purchasing activity of departments that may benefit from the creation of a standing agreement.</p> <p>A Corporate Procurement Training Program has been developed.</p>



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	standard and emergency procurement situations.		
<p>10. Instances when the signing authority listing is not aligned with Great Plains approval levels for purchase order creation and approval.</p> <p>Instances in the Authorized Signing Listing when signature is not on file</p>	<p>Review differences between Great Plains approval levels and the authorized signing listing and determine if Great Plains approval should be removed or if the Authorized Signing Listing needs to be updated.</p> <p>Obtain specimen signatures for all employees on the authorized signing listing.</p>	<p>Accounting and Purchasing will develop a process with IT and operating departments, to review and ensure Great Plains approval settings aligns with the authorized signing list.</p> <p>A comprehensive review and updating of the signing authority list occurred in 2016. Accounting services will work with departments to ensure the list is kept current and up to date.</p>	<p>Status: In Progress</p> <p>An instance where the Signing Authority Listing did not align with the SAP approval limits was noted in the follow up testing.</p> <p>Accounting and Purchasing continue to review and ensure approval levels in SAP align with the Signing Authority Listing.</p>
<p>11. There is a zero tolerance for purchase order discrepancies with the associated vendor invoice.</p>	<p>Assess impact on efficiency of procurement and invoice processing if a low dollar value tolerance discrepancy between purchase orders and invoices was adopted.</p>	<p>With the upcoming implementation with SAP, will explore this option with the Continuous Improvement group.</p>	<p>Status: Complete</p> <p>With the implementation of SAP in 2019, a tolerance discrepancy of 1% or \$10 between purchase orders and invoices was established.</p>
<p>12. Inconsistent practices across the City as to the documentation obtained and retained in connection with low value procurement.</p> <p>Documentation of issuance of the purchase order to the vendor is not consistently retained.</p>	<p>Consider adding clarity in the procurement manual specifically around low value procurement.</p> <p>Education to staff as to the requirements with low value procurement.</p>	<p>Additional clarity will be added to the procurement manual related to low value procurement. As well, the Corporate procurement training program will include a section on low value procurement.</p>	<p>Status: In Progress</p> <p>The Procurement manual has not been updated since the May 2, 2016 release.</p> <p>Procurement training programs include guidance for low value procurement.</p>



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<p>13. There does not appear to be a requirement for suppliers to indicate they are in compliance with the Procurement By-Law setting out expectations of supplier conduct and conflicts of interest.</p>	<p>Determine whether suppliers confirm compliance with the procurement by-law at any point in the procurement process (illegal or unethical behavior, conflicts of interest).</p> <p>Incorporate language to confirm compliance with the procurement by-law in supplier contracts or obtain supplier confirmations of compliance.</p>	<p>Suppliers confirm compliance with the City's Procurement by-law for all Open Competition Procurement, Supply Agreements and Rosters, through the signing of their submission forms.</p> <p>For other procurement processes, Purchasing will review, discuss and develop an appropriate mechanism.</p> <p>While suppliers do confirm as part of the bid process (i.e. terms and conditions of the bid process). Purchasing will look to strengthen the wording in the City's standard contracts.</p>	<p>Status: Complete</p> <p>Open Competition, Supply Agreements and Rosters incorporate supplier confirmation of compliance with the Procurement By-Law through the signing of their submission.</p> <p>Invitational Competitions also incorporate supplier declaration of conflicts of interest.</p> <p>Low value procurement (purchases less than \$10,000) is the only procurement type without formal supplier confirmation of compliance with the Procurement By-Law. Finance/Purchasing have assessed the associated risk with these purchases to be low.</p>
<p>14. Due to the number of user licenses currently held by the City, users often cannot access Great Plains in a timely basis to create purchase orders.</p>	<p>When SAP goes live, named licensing (where each user has a license) will be in place rather than concurrent licensing (where licenses are shared between users) which will address this observation.</p> <p>Until SAP goes live, the shared licenses should be assessed to determine if there are other factors that can be addressed to improve</p>	<p>The City's Great Plains license is limited to 60 concurrent users. Because of the cost of more licenses, combined with the City's upcoming implementation of SAP, IT has implemented an alternative solution.</p> <p>Through the creation of a web application, Great Plains users who cannot log into the system, can access a list of active users and request they log out of the</p>	<p>Status: Complete</p> <p>SAP replaced Great Plains as the City's financial system in February 2019. In SAP, named licensing came into effect eliminating previous access constraints caused by concurrent licensing in Great Plains.</p>



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Observation	Recommendation	Management Response	Follow Up
	access for departments across the City.	system. While not a perfect solution, it is hoped this cost effective method will bridge the gap until SAP implementation is complete.	



Appendix “B” – Fleet Inventory Observations, Recommendations and Management Response

Observation	Recommendation	Management Response
<p>1. Multiple Fleet inventory tracking mechanisms Fleet Services, Finance, and Insurance each enter fleet inventory information into different stand-alone tools (CFA, SAP, and ClearRisk respectively).</p> <p>In addition, each business prepares Microsoft Excel spreadsheet summaries for fleet assets which are used to meet reporting needs.</p> <p>Fleet documents its assets to ensure the maintenance of vehicles and equipment in good working order and to ensure assets are flagged for replacement consideration prior to being taken out of service.</p> <p>Finance maintains fleet information for the financial reporting of assets while Insurance obtains fleet information to ensure City assets are appropriately insured.</p> <p>Completeness and data accuracy discrepancies were noted between the three business areas' data sets. Duplication of effort tracking the same assets in multiple formats can potentially lead to inefficiencies, increase the risk of manual errors, and lead to inaccurate information provided to stakeholders.</p>	<p>Assess the feasibility of consolidating the tracking of City fleet inventory into <u>one</u> system that is relied upon by all stakeholder departments to eliminate duplicate efforts and systems in use.</p> <p>Validate fleet data in CFA and ensure periodic physical verifications are performed for active assets which will improve the accuracy and completeness of CFA data.</p> <p>Fleet, Finance and Insurance should reconcile Fleet inventory listings on a regular basis to ensure consistency.</p>	<p>Meet with IT to discuss options to replace current software system with new one that allows access to other groups to review information.</p> <p>Review the results of the Internal Audit physical verification of fleet and update CFA information accordingly. Update CFA following semi-annual self-audits.</p> <p>Set up meeting with Insurance, Finance and Fleet Management to come up with plan to ensure the exchange of data is accurate and consistent. Set up schedule for follow up meetings (quarterly, semi, or annually).</p>



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Observation	Recommendation	Management Response
<p>2. CFA reporting functionality</p> <p>The current version of CFA appears to have limited options for reporting fleet information.</p> <p>CFA offers standard reports but they are not currently designed in a format that meets management’s needs.</p> <p>In 2019, Fleet created a stand-alone fleet inventory list in Microsoft Excel to validate the completeness of data in CFA and to facilitate budget and management reporting.</p> <p>Multiple reports, and the manual compilation of additional reports, results in a duplication of effort and inefficiencies.</p>	<p>Assess whether reporting improvements are available with the current CFA software. If the vendor cannot provide additional reporting options, further data export functionality could be investigated internally to potentially expand available reporting.</p> <p>Consider the feasibility of other fleet inventory management software tools that may provide additional tracking and reporting tools to assist with fleet management.</p>	<p>Fleet Manager to contact CFA to seek information on reporting options.</p> <p>Meet with IT to discuss options to replace current software system with new one that allows access for other groups to review information.</p>
<p>3. Disposals</p> <p>Fleet disposals are not recorded on a timely basis in CFA. We noted assets confirmed to have been sold in 2019 or earlier remaining "active" in CFA. "Active" status for a disposed asset may occur as a result of the asset not being updated or due to an open work order(s) for the asset in the underlying Shop Floor software.</p> <p>Failure to update the asset status on a timely basis results in inaccurate or inconsistent Fleet reporting.</p>	<p>Review open work orders in Shop Floor for vehicles and equipment that have been identified as sold. Close the work orders and update the CFA "Service Indicator" field so the data is accurate and complete.</p> <p>Review assets that have an "active" status but were not located during the physical verification or that the business indicated were sold to confirm if assets still exist at the City.</p> <p>Assess potential options available in CFA to document the date and format of disposal (i.e. auction, sold for scrap) for the asset.</p>	<p>Fleet Manager will work with Forepersons to establish best way to close open work orders allowing the service indicator field to be updated in CFA.</p> <p>Fleet Manager will work with Forepersons to investigate and update status of "active" assets in CFA.</p> <p>Fleet Manager to contact CFA to seek information to modify existing fields or add a field to track asset disposal information.</p>



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<p>4. Location of fleet assets The "Fleet Group" field number is used to assign the location of assets in CFA, however it does not appear this field is currently maintained consistently when assets are transferred between fleet groups.</p> <p>The fleet groups in CFA are categorized at a high level. For example, fleet group 140 is Barrie Fire and Emergency Services (BFES). All BFES vehicles and equipment are tagged to fleet group 140. There is nothing to indicate in CFA at which of the five fire stations the vehicles and equipment are located.</p> <p>Given the high volume of business locations where fleet assets are stored across the City, lack of availability for specific fleet asset locations can lead to challenges identifying assets and ensuring the completeness of Fleet inventory.</p>	<p>Maintain the "Fleet Group" number field as fleet assets are transferred between fleet groups.</p> <p>Assess the potential to add a location field to capture fleet group locations such as fire stations, recreation community complexes, and parks facilities.</p> <p>On a regular basis, distribute a list of fleet vehicles and equipment maintained in CFA to each fleet business group to validate the accuracy and completeness of information contained in CFA.</p>	<p>Fleet Manager to work with Forepersons to establish procedure to ensure timely maintenance of asset group and location information in the CFA.</p> <p>Fleet Manager to contact CFA to seek information to modify an existing field or add a new field to capture asset location.</p> <p>Fleet lists should be distributed and confirmed prior to meeting with Finance and Insurance to ensure current vehicle and equipment status is accurate. Mini self-audits to be conducted semi-annually to ensure data is accurate and up to date.</p>



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<p>5. City unit numbers There are Fleet assets in service that have no visible marking as a City asset or are marked with the wrong unit number.</p> <p>The unit number is a unique identifier for City Fleet assets which can be of assistance if a resident or employee has a concern with how an asset is operating or being used.</p> <p>The City has many vehicles and pieces of equipment with the same make, model, and colour which can result in difficulties distinguishing one asset from another if the unit number is not visible.</p> <p>We also noted instances where assets may initially have been marked with unit numbers but the number wore off with use, was painted over, or the asset was rebuilt and the part with the unit number was not used in the rebuild.</p> <p>The absence of unit numbers on City fleet assets may create challenges to distinguish City assets, to correctly identify specific assets and potentially cause inaccurate documentation of asset activity and use.</p>	<p>When vehicles and equipment are brought to fleet upon initial purchase or for maintenance services, Fleet should verify the unit number is visible and consistent with CFA.</p> <p>If equipment is rebuilt, the prior unit number should be removed from any asset or piece of an asset no longer in service.</p> <p>When Fleet assets are painted, the unit number should be verified and marked on the asset before being put back in service.</p> <p>If an asset is being wrapped with promotional or educational messaging, we recommend the unit number is still visible or included as part of the final wrap.</p>	<p>Institute a new internal policy that all vehicles/equipment must have a unit number identified in CFA prior to being worked on.</p> <p>All numbers of repurposed / modified components must match the main vehicle/equipment's unit number before going back into service.</p> <p>Fleet management will confirm with company performing the wrap that the unit number must be displayed on the vehicle and equipment.</p>
<p>6. System access Current CFA system user access is not appropriately restricted resulting in the potential for users to modify, create and delete information related to the City's fleet assets.</p> <p>Without appropriate limitation of user access in CFA the potential for manual errors or misuse of the system exists.</p>	<p>Review current CFA user access and remove all users no longer employed by the City or not requiring access to CFA.</p> <p>Continue to assess the appropriateness of CFA user access on a regular basis.</p>	<p>Fleet Manager will update access in CFA to reflect current CFA users and monitor periodically. Semi-annual self-audit to ensure access privileges are current and appropriate.</p>



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Observation	Recommendation	Management Response
<p>7. Procedures Documented and approved procedures for fleet management do not exist.</p> <p>Protocols and processes for communication and sharing of information between Fleet, Finance and Insurance are also not formally documented.</p> <p>While existing Fleet staff have deep experience and technical skills, required practices for the team are not formalized and documented which could cause inefficiencies in the event of disruption to the current team.</p> <p>Departments that acquire vehicles or equipment outside the Fleet branch are not currently required to notify Fleet of the acquisition.</p> <p>Without consistent corporate notification to Fleet of City vehicle and equipment acquisitions made by other departments, it is challenging for Fleet to adequately budget the necessary staff time and resources for future maintenance of these assets.</p>	<p>Formalize and communicate procedures for both fleet inventory management and coordination between Fleet, Finance and Insurance to ensure consistent and accurate fleet information is readily available to all users.</p> <p>Include a definition of "City Fleet Assets" in the documented Fleet procedures to clarify for City departments the assets to which Fleet requires visibility.</p> <p>Assess the feasibility of implementing a requirement for City departments to notify Fleet of all planned acquisitions of "City Fleet Assets". This will enable Fleet to provide input on the acquisitions and plan for the anticipated future maintenance of the assets.</p>	<p>Set up meeting with Insurance, Finance and Fleet Management to formalize the exchange of data to be accurate and consistent. Set up schedule for follow up meetings (quarterly, semi, or annually).</p> <p>Fleet Manager to review current practices and procedures used in similar municipalities and draft a document clarifying visibility to City purchases of Fleet Assets</p> <p>Fleet Manager to review current practices and procedures used in similar municipalities and draft a document regarding the feasibility of notification to Fleet of asset purchases.</p>