

AUDITOR GENERAL

Halifax Regional Municipality



Fleet Vehicle Use, Car Allowances and Mileage Audit



Audit Overview

- HRM and Halifax Water not effectively managing use of light-duty fleet vehicles
- Neither requires lowest-cost choice be selected
- Mileage claim monitoring
 - HRM does not monitor mileage claims for compliance with policy
 - Halifax Water monitors mileage claims for compliance with policy

Detailed Results – HRM

- HRM does not effectively manage use of light-duty fleet vehicles
 - Policy not updated since 2011, has gaps
 - Does not monitor utilization
 - Most divisions do not monitor for inappropriate use
 - Project to address fleet management issues
 - Behind by more than a year
- HRM taxable benefits may not be recorded
 - Not clear if employees who take fleet vehicles home on call should have taxable benefit



Detailed Results – Halifax Water

- Halifax Water does not effectively manage use of light-duty fleet vehicles
 - Policy not updated since 2009, has gaps
 - Does not monitor utilization
 - Monitors for inappropriate use



- Halifax Water taxable benefits mostly recorded

Detailed Results – HRM

- HRM's local travel policy does not ensure lowest-cost option
 - Some employees would have been paid less with a car allowance
 - 2017-18: 19 employees
 - 2018-19: 17 employees
 - Additional amount paid – \$62,000
 - Net expense to HRM would be less due to HST rebates.
- Does not monitor mileage claims for compliance with policy
 - Lack of monitoring creates risk of noncompliance
 - Led to overpayments to some employees



Detailed Results – Halifax Water

- Halifax Water’s travel policy does not ensure lowest-cost option
 - Policy not regularly reviewed
 - Not monitored to confirm least-expensive option selected
 - All 24 employees with a car allowance paid more than with personal vehicle mileage reimbursement Additional amount paid – \$81,610
 - Net expense to Halifax Water would be less due to HST rebates.
- Monitors mileage claims and car allowances for compliance with policy
 - All mileage claims tested were compliant.



Wrap Up

8 Recommendations
All accepted by Management

Follow up in 18 months

HRM:
Detailed plan to complete fleet
rationalization project
Clarify taxable benefit
Update local travel policy
Monitor utilization

Halifax Water:
Address taxable benefits
Update travel policy
Review fleet needs
Monitor utilization



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Questions?