

#### **AUDITOR GENERAL**

Halifax Regional Municipality

Fleet Vehicle Use, Car Allowances and Mileage Audit

# Halifax Regional Mi

#### **Audit Overview**

- HRM and Halifax Water not effectively managing use of lightduty 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

## Halifax Regional Mi

### 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

Halifax Regional M.

#### 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.



### Halifax Regional M

### Wrap Up

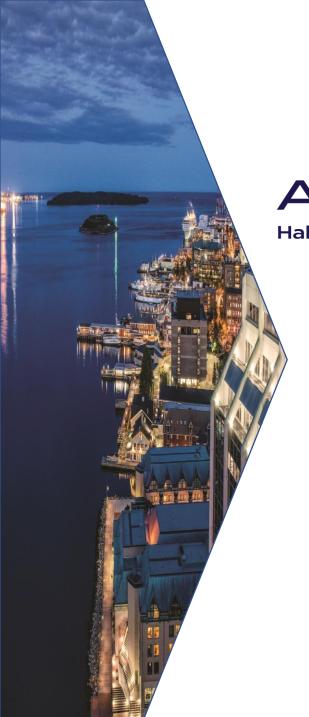
8 Recommendations
All accepted by Management

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



#### AUDITOR GENERAL

**Halifax Regional Municipality** 

Questions?