

**Date:** 2021-11-16

**Subject:** **Emergency Expenses Audit**

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**Report Number:** CAO's Office-2021-1238

**Effective****Executive Summary:**

Internal Audit undertook a review of expenses incurred as a result of the COVID-19 virus. The emergence of the virus brought with it the need for a number of measures to ensure the health and safety of City staff and the community. These measures resulted in significant additional costs being spent on COVID related supplies and services. The main costs associated with the pandemic were personal protective equipment (PPE), custodial services, security, and advertising/media.

The objective of this engagement was to assess whether Management had proper oversight controls around emergency spending and to determine if COVID related purchases and payments contained appropriate authorization and supporting documents.

The background, objective, and the audit scope are explained in **Appendix 1**.

During our review, we observed the following strengths relating to controls and processes around emergency expenses:

- Management's meetings and discussions in response to COVID were timely and aligned with the City's Municipal Emergency Plan.
- Effective communication and collaboration between operating departments and Purchasing to facilitate the sourcing and purchasing of Personal Protective Equipment (PPE) (i.e. masks, gloves, sanitizer; etc.).
- Newly created emergency department codes were communicated to divisions by Finance in a timely manner.
- Proper process was followed for all emergency Purchase Orders (EMPO's) and contained proper approvals.

- All changes to Purchase Orders (change orders) were timely and properly approved.
- All PPE supplies distributed by the Brampton Emergency Management Office (BEMO) were tracked in a spreadsheet.

**Internal Audit discussed the following improvement opportunities with Management from the respective departments;**

Process	Finding	Rating
1. Invoice approval process	COVID related invoices are not always approved by a Supervisor with proper signing authority.	
2. Expense coding process	COVID related purchases are not always coded to an emergency account.	
3. Maintenance of vendor documentation	Required documentation for vendors providing COVID related products and services (Insurance/WSIB) is not always tracked.	

These issues and associated management action plans are explained in more detail in **Appendix 1**. These issues are rated as per criteria explained in **Appendix 2**.

**Conclusion:**

Effective – Overall, processes and controls around emergency expenses were found to be effective.

The overall report rating is determined as per the criteria for audit report rating explained in **Appendix 3**.

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**Attachments:**

Appendix 1: Emergency Expenses Audit Report

Appendix 2: Criteria for Evaluating Audit Findings

Appendix 3: Criteria for Audit Report Rating