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**Subject:** Report of Employee Enhanced Benefits Audit

**Report to:** Corporate Services Committee

**Report date:** Wednesday, June 17, 2020

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## Recommendations

1. That staff **BE DIRECTED** to implement the recommendations in Appendix 1 of Report CSD 38-2020, respecting Employee Enhanced Benefits Audit.

## Key Facts

- The purpose of this report is to provide the Corporate Services Committee with a summary of findings noted during the Employee Enhanced Benefits Audit, which focused on the management control framework and contract oversight practices in place to manage the overall benefit program and benefit claims.
- This report contains the findings, implications and recommendations for the observations discovered during the Audit in addition to a Management Action Plan (MAP) from program staff for each of the recommendations.
- The report contains three observations, focusing on Contract Management and Oversight, Claims Administration and Adjudication and Benefit Plan Design, with eight total recommendations that have been detailed in the audit report.

## Financial Considerations

There are no immediate budgetary considerations associated with this report. It is anticipated that some of the recommendations may have an implementation cost associated to them. If management chooses to pursue the recommendations then all costs will be funded through the regular annual budget process.

## Analysis

This audit project was identified in the 2019 Audit Plan approved by Audit Committee (see **AC-C 5-2019**). The purpose of the audit was to provide assurance to Management and Niagara Region's Audit Committee on the effectiveness of the management control framework and contract oversight to support employee benefit claims and ensure effectiveness in the adjudication process. The audit tested whether benefit claims are administered and adjudicated to eliminate fraud and ensure compliance with benefit

plans. Finally, the audit attempted to determine the effectiveness of current benefit plans to ensure they support employee health and wellness in the workplace.

### **Alternatives Reviewed**

No other alternatives were reviewed at this time.

### **Relationship to Council Strategic Priorities**

Value-for-money (VFM) audits were identified and approved within the current Council's Strategic Priority – Sustainable and Engaging Government. The goal of this strategic initiative is a commitment to high quality, efficient, fiscally sustainable and coordinated core services through enhanced communication, partnerships and collaborations with the community.

The 2019 Annual Audit Plan, which included an audit of Sick Benefits and Employee Extended Benefits, was approved by Audit Committee on February 4, 2019.

### **Other Pertinent Reports**

AC-C 5-2019 – 2019 Internal Audit Plan.

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**Prepared by :**

Frank Marcella, MPA, BEd  
Manager, Internal Audit

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**Recommended by:**

Todd Harrison, CPA, CMA  
Commissioner/Treasurer  
Corporate Services

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**Submitted by:**

Ron Tripp, P.Eng.  
Acting Chief Administrative Officer

### **Appendices**