TO:	**FINANCE & RESPONSIBLE GOVERNANCE COMMITTEE**
SUBJECT:	**2024 Q3 TO Q4 INTERNAL AUDIT STATUS UPDATE**
WARD:	**ALL**
PREPARED BY AND KEY CONTACTS:	**S. MACGREGOR, DIRECTOR OF INTERNAL AUDIT, X5452** **J. LUM, INTERNAL AUDITOR, X4923**
SUBMITTED BY:	**S. MACGREGOR, DIRECTOR OF INTERNAL AUDIT**
GENERAL MANAGER APPROVAL:	**N/A**
CHIEF ADMINISTRATIVE OFFICER APPROVAL:	**M. PROWSE, CHIEF ADMINISTRATIVE OFFICER**

RECOMMENDED MOTION

1.   That the 2024 Q3 to Q4 Internal Audit Status Update be received as information.

PURPOSE & BACKGROUND

2.   The purpose of this staff report is to provide the 2024 Q3 – Q4 Internal Audit Status Update.

3.   The following table summarizes Internal Audit activities performed from July to December 2024:

#	Project	Focus	Status
1	Building Inspections	Process Review	Complete
2	Vendor Reviews	Compliance	Complete
3	Barrie Public Library – Value for Money Audit	Performance	Complete
4	IPD Billable Rates (Wastewater Treatment Facility Upgrade)	Compliance	In Progress
5	Fraud & Wrongdoing Program Oversight	Consulting	Ongoing

ANALYSIS

BUILDING INSPECTIONS

Background

4.   The Building Services department ("Building") is responsible for ensuring that all new construction within the City of Barrie (the "City") meets or exceeds the minimum requirements in the Ontario Building Code ("OBC") Act and Building Code Regulations in an effort to ensure that all buildings are safe for building occupants.

5.   Key responsibilities within the Building Services department are building permits, building inspections, building complaints, and building administration.

6.   Building projects are subject to mandatory inspections at specific stages of construction or demolition to confirm building standards are met. Building standards are set by the OBC, Zoning By-law, Building By-law and other applicable laws to ensure structures meet the minimum living, fire, and health & safety requirements.

7.   The OBC is the legislative framework governing the construction, renovation, and change-of-use of buildings in Ontario. It establishes detailed technical requirements for building construction.

8.   The Building By-law regulates the administration and enforcement of the OBC regarding the construction, renovation, and change-of-use of buildings in the City of Barrie.

9.   Building Services has a total of 13 employees who perform building inspections including: a Supervisor of Inspections, a Senior Building Code Official, a Senior Plumbing Specialist, and 10 Building Inspectors.

2021 Tornado

10.   In July 2021, the City of Barrie experienced an EF-2 tornado that damaged more than 100 homes. In response to the tornado, Building Services began developing an Emergency Preparedness Kit and action plan in the event of a natural disaster or emergency.

11.   An internal team called the Emergency Preparedness Committee was created to determine what supplies are required for emergency response and which procedures should be developed.

12.   The Emergency Preparedness Kit and established emergency response procedures are expected to be completed by the end of 2024. Assessment of the Emergency Preparedness Kit and established emergency response procedures was not included in our review.

13.   In 2022, the General Manager of Infrastructure and Growth Management requested a review of Building Inspections, which was included in the approved 2022 Internal Audit Plan. However, due to Internal Audit ("IA") resource limitations, this audit was postponed to 2024.

Objective

14.   The objective of this audit is to review the efficiency and effectiveness of inspection reporting performed by Building Services.
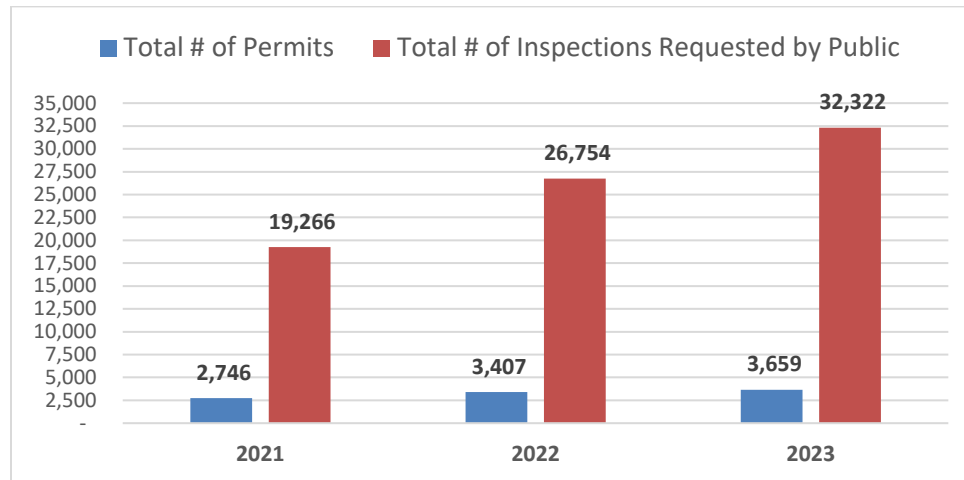
Conclusion

15.   Based on the work performed, reporting of building inspections is generally efficient and effective.

16.   However, our review identified areas of improvement to further increase the efficiency and effectiveness of inspection reporting.

Methodology

17.   The "Period of Review" was January 1, 2021 to December 31, 2023.

18.   The following activities were performed:
   a)   Discussions with Building staff;
   b)   Review of applicable legislative/regulatory frameworks (OBC), by-laws (Building By-law), policies, and procedures;
   c)   Review of applicable key performance indicators ("KPI") reported by Building;
   d)   Data analysis of building inspections requested by the public during the Period of Review based on the inspection data from the City's online application tool;
   e)   Judgmental sampling of 25 building permits with building inspections requested by the public during the Period of Review based on the inspection data from the City's online application tool;
   f)   Judgmental sampling of 12 building permits to verify the site was in the appropriate stage of construction.

19.   Our review only included building permit inspections performed by Building Services. Our review did <u>not</u> include:
   • Building permit inspections performed by Barrie Fire & Emergency Services ("BFES");
   • Issuance of building permits;
   • Plans review/examinations;
   • Handling/investigation of building complaints; and
   • Controls and processes surrounding the City's online application tool.

20.   As part of the approved 2024 Internal Audit Plan, the processes and controls in the City's online application tool will be reviewed separately.

Findings

21.   Building inspection results are entered and stored in Applications, Permits, Licences, Inspections ("APLI"), which is the City's online application tool to create, pay, and check the status of Barrie's most popular permits, licences and inspection requests (i.e. not just Building-related records).

22.   Based on the inspection data from APLI, 78,342 inspections were requested by the public during the Period of Review. Below is a summary of the total number of inspections requested in 2021, 2022, and 2023.

Chart: Total # of Permits and Total # of Inspections Requested by Public

- 2021: Total # of Permits 2,746; Total # of Inspections Requested by Public 19,266
- 2022: Total # of Permits 3,407; Total # of Inspections Requested by Public 26,754
- 2023: Total # of Permits 3,659; Total # of Inspections Requested by Public 32,322

23.   A sample of 25 building permits was reviewed, which included 447 inspection records.

Open Permits

24.   As of June 19, 2024, there were 5,745 open permits with the last inspection date ranging from 2017 – 2024.

25.   Building inspectors generally do not proactively return to a site to follow up on open permits without communication from the permit holder, as there is no guarantee the required work has been completed.

26.   Although it is responsibility of the permit holder to notify the Chief Building Official when construction is ready to be inspected, a 2024 Ontario Superior Court decision (*Huether v. Sharpe, 2024 ONSC 1987*) found that municipalities have a duty to continuously monitor open building permit files and to follow up with the permit holder regarding the state of construction[1]. This court decision was identified to IA by Building staff during the audit.

27.   Permits that remain open for extended periods of time may pose a risk to the public.

28.   As Division C 1.3.5.1. (2), of the OBC requires the permit holder to notify the Chief Building Official at certain stages of construction, IA observed a sample of 12 sites with open permits to observe whether the permit holder proceeded to the next stage of construction without notifying the City. No issues were identified. However, IA only observed the exterior of the site.

29.   As a result, a procedure should be developed for inspectors to address open permits as part of their regular duties. IA recognizes that Building is in the process of developing a "Stale Permit Process" to follow up on open building permits.

Quality Review/Monitoring of Inspections

30.   The City's building inspectors are highly qualified and experienced individuals. However, there is no formal quality review process for documentation of inspection results. IA recognizes that this is largely due to limited staff resources in Building Services.

31.   Building has developed several internal guidelines interpreting the OBC. However, there is no existing guidance outlining how to perform each type of inspection (i.e. footing, framing, insulation, etc.).

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[1] 2024 ONSC 1987 (CanLII) | Huether v. Sharpe | CanLII

32.   IA recognizes that it may be impractical to develop prescriptive guidance for inspections, as each inspection can vary depending on the size/complexity of the project. However, without guidance for inspections or a quality review process for documentation of inspection results, there is a risk that insufficient or inconsistent performance/documentation of inspections may go undetected.

33.   Where practical, guidance should be developed for inspections to ensure the inspection results are consistently documented. Additionally, a quality review process/procedure should be developed for completed building inspections.

Inconsistent Application of Inspection Results

34.   For the 78,342 inspections requested by the public during the Period of Review, 28 different inspection results were used by building inspectors. Below is a summary of the inspection results reported in APLI during the Period of Review:
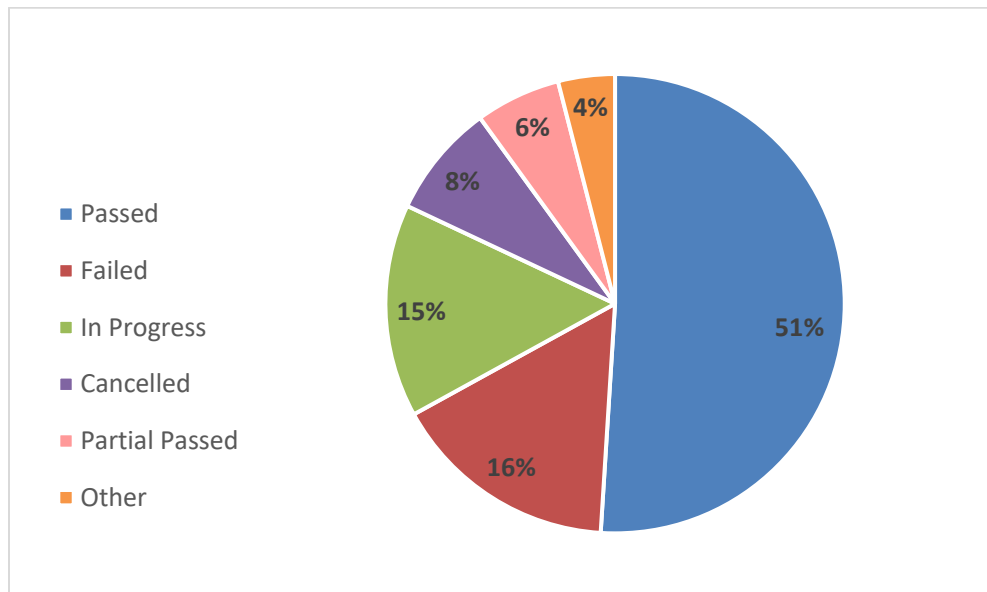
35.   Our review identified that although there are general expectations of when certain results should be applied by building inspectors, there is no formal guidance or definitions for the result categories available. This resulted in inconsistent reporting of results by building inspectors.

36.   Inconsistent reporting/documentation of inspections may make it difficult for the City to defend inspection results, if required.

37.   The following inconsistencies were identified:
- **"Partial Pass" vs. "Pass" –** Instances were identified where the same discrepancies or findings were noted by building inspectors for the same type of inspection (i.e. footing), but some inspectors partially passed these inspections, while others fully passed them.
- **"Partial Pass" vs. "In Progress" –** "Partial Pass", which is an inspection result used to indicate that the inspection did not fully pass but the project can move to the next stage of construction, was used interchangeably with "In Progress" by building inspectors. An "In Progress" result indicates that the project cannot move to the next stage of construction.
- **"Failed" vs. "Cancelled" –** Instances were identified where the inspection comments entered by the building inspector indicate that the inspection should have been cancelled

(i.e. wrong address booked, site contact cancelled inspection), but the inspection was failed by the inspector.

- **"Incomplete" –** This inspection result was used for less than 1% of the inspections requested during the Period of Review. This inspection result selection may be unnecessary, as other inspection results (i.e. In Progress or Partial Pass) would be more applicable depending on the inspection.

38. Building should review the inspection result selections available in APLI and work with the Information Technology ("IT") department to remove any redundant or unnecessary inspection result selections identified.

39. Formal guidance and definitions for each inspection result available should be developed to ensure inspectors are documenting inspection results consistently. IA recognizes that Building is in the process of developing guidance for each inspection result, as well as standardizing inspection comments in APLI.

Sites Not Ready for Inspection

40. In the sample of permits reviewed, there were 19 instances where sites were not ready for their scheduled inspection, as documented in the inspection comments by the building inspector.

41. In addition to the 19 instances identified, there were 18 inspections which were cancelled, but no inspection comments were entered by the building inspector. As a result, IA could not confirm whether these inspections were cancelled due to the site not being ready for inspection.

42. As per Building's internal process, if the inspector attends the site and they are not ready for the inspection, the inspector records a "failed" result. However, if the inspector is notified in advance that the site is not ready for inspection, the inspector records a "cancelled" result.

43. Our review identified that inspectors did not consistently document whether the inspector attended the site or was notified in advance. Therefore, IA was unable to verify whether the inspection should have been "failed" or "cancelled".

44. Documentation of whether the inspector attended the site is important, as this may impact whether a re-inspection fee is charged to the permit holder.

45. Guidance should be developed for inspectors outlining documentation requirements in APLI when sites are not ready for inspection.

Reporting of KPI and/or Other Key Measures

46. IA reviewed the KPIs related to building permit inspections, which are reported annually by the Building department.

47. Building inspectors have two business days following the date of an inspection request to conduct a building inspection.

48. Specifically, Division C. 1.3.5.3.(1) of the OBC states, "an inspector or registered code agency, as the case may be, shall, not later than two days after receipt of a notice given under Sentence 1.3.5.1.(2), undertake a site inspection of the building to which the notices relates."

49. IA recalculated the compliance % with the mandated timeframe reported by Building for 2021, 2022, and 2023 using the inspection data from APLI. The following table summarizes the differences noted:

Year	Compliance % (Reported by Building)	Compliance % (Recalculated by IA)	Difference (%)
2021	94.80%	95.60%	-0.80%
2022	97.47%	97.60%	-0.13%
2023	96.87%	96.92%	-0.05%

50. The compliance % only includes inspections performed by the Building department. There are building permit inspections that are performed by BFES, which are not included in the compliance %. However, there may be instances where the results of an inspection performed by BFES are entered by a building inspector, which was a possible explanation provided for the variance.

51. IA also recalculated the total number of inspections requested by the public reported by Building for 2023 using the inspection data from APLI. The following table summarizes the difference identified:

Year	Total # of Inspections Requested (Reported by Building)	Total # of Inspections Requested (Recalculated by IA)	Difference (%)
2023	35,294	35,579	(285)

52. As a result of our review, Building identified that the parameters of the APLI report did not align with the Geographic Information Systems ("GIS") dashboard, which is the tool Building uses to report the total number of inspections requested by the public.

53. Although Building was unable to reconcile the differences identified at the time of the audit, the differences identified were less than 1%. Additionally, IA's recalculations indicate higher performance (i.e. higher compliance %, higher number of inspections requested) than the totals reported by Building.

54. Although the differences identified by IA for the KPIs reviewed were minor, Building should work with IT to ensure reports are readily available/accessible to support any KPIs or key measures reported, such as compliance with the mandated timeframe for building inspections outlined in the OBC and the total number of inspections requested.

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

Area	# of Recommendations
Open Permits	1
Quality Review of Inspections	1
Inconsistent Application of Inspection Results	1
Sites Not Ready for Inspection	1
Reporting of KPI and/or Other Key Measures	1
Total	**5**

VENDOR REVIEWS

Background

56.   As of October 3, 2024, the City of Barrie (the "City") has 5,792 vendor accounts set up in the SAP accounting system and 345 active standing agreements ("contracts") on the *Standing Agreement Roster*, which is maintained by the City's Purchasing branch ("Purchasing").

57.   The following table summarizes the number of contracts awarded by Purchasing in 2022 and 2023, as noted in the *2022 and 2023 Annual Procurement Activity Report*.

Year	# of Contracts Awarded by Purchasing	Value ($) of Contracts Awarded by Purchasing
2022	194	167,759,757
2023	205	301,495,211
Total	**399**	**$469,254,968**

58.   Internal Audit has performed vendor reviews in previous years when required. However, due to limited Internal Audit resources, detailed vendor reviews on a larger scale have not been possible.

59.   As a result, a pilot project was launched in 2024 with the addition of an Internal Audit Summer Student to assist with an internal review of vendors with rate-based contracts.

Objective

60.   To assess whether vendors are invoicing the City at the agreed upon prices/rates outlined in the contract.

Methodology

61.   Our scope of review included vendors with rate-based contracts across City departments identified by Purchasing as having a potential risk of inaccurate invoices (i.e. newer or high-value contracts, inaccurate invoices previously identified, etc.).

62.   Vendor invoices billed to the City from 2022 to 2024 were reviewed by Internal Audit. However, periods of review for specific vendors varied depending on the volume of invoices, the contract expiry date, and/or the date the review was performed.

63.   The following activities were performed:
a)   Discussions with Purchasing to identify vendors to be included in the review;
b)   Review of vendor contract documentation (Solicitation Document, Standing Agreement, Addenda, etc.); and
c)   Review of vendor invoices for accuracy and compliance with the agreed upon rates outlined in the contract.

64.   Our review did not include other types of contract arrangements (i.e. fixed-price, cost-plus, integrated project delivery etc.) and/or contracts with any City of Barrie Service Partners.
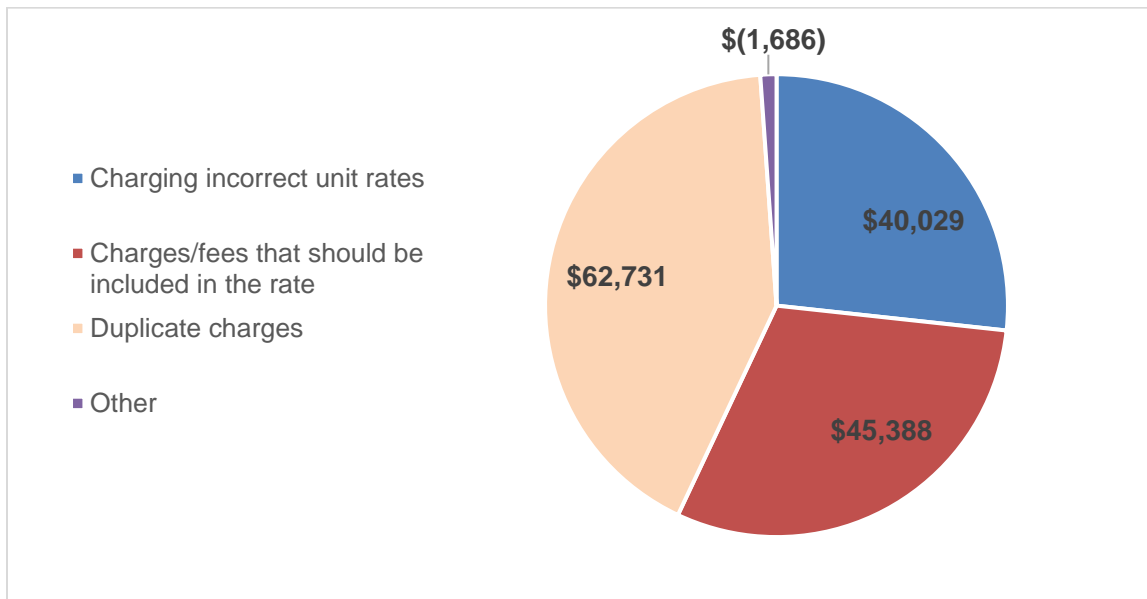
Conclusion

65. Based on the work performed, $146,462 (not including HST) was identified as potentially overbilled to the City, due to vendors invoicing the City at amounts greater than the associated contract terms.

66. The City will review Internal Audit's findings and investigate further with support from Purchasing to assess whether the potential billing inaccuracies can be remediated.

Findings

67. Based on the 68 vendors reviewed, $146,462 (not including HST) was found to be potentially overbilled by vendors to the City.

68. The above total does not include vendor invoices which could not be assessed by Internal Audit for accuracy and/or compliance with the agreed-upon rates in the contract due to one or more of the following:
    a) Invoices did not contain sufficient information to compare the rates invoiced against the contract;
    b) Invoices did not contain sufficient information to determine if the goods or services provided were covered under the contract reviewed;
    c) Invoices were for goods or services that were not covered under an existing rate-based contract (i.e. quote-based work).

69. The following graph summarizes the primary reasons for overbilling for the contracts reviewed:

Pie chart legend:
- Charging incorrect unit rates — $40,029
- Charges/fees that should be included in the rate — $45,388
- Duplicate charges — $62,731
- Other — $(1,686)

70. Based on the work performed, a more detailed review of invoices is required by City departments to ensure the vendor is invoicing at the agreed upon rates/prices outlined in the contract.

71. Further training on review of vendor invoices for accuracy and compliance for City departments is recommended.

72. Internal Audit can assist with invoice review training sessions for City departments, as necessary.

VALUE-FOR-MONEY AUDIT – BARRIE PUBLIC LIBRARY

Background

73.   The Barrie Public Library ("BPL") is a Service Partner of the City of Barrie (the "City") and serves a population of approximately 150,000 within the City of Barrie and a population of approximately 21,000 within the Town of Oro-Medonte.

74.   The BPL is governed by the Provincial Public Libraries Act, which requires every library to have appropriate oversight from a governing Board. BPL's Board of Trustees (the "Board") has nine members, who were appointed for four years by City Council, including two members of Council and seven citizen members.

75.   The BPL has three locations, which are all located in the City of Barrie: the Downtown branch ("Downtown"), the Painswick branch ("Painswick"), and the Holly branch ("Holly").

76.   As of August 2024, the BPL has 40 full-time employees and 57 part-time employees.

77.   The BPL has a strategic plan, which outlines their strategic directions and goals for 2020 to 2024. The strategic plan, which was approved by the Library Board, consists of the following strategic directions:
   • 	Awareness;
   • 	Connections;
   • 	Inclusion;
   • 	Relevance; and
   • 	Culture.

78.   The City contributed approximately $9.3M to library spending through the operating grant in 2023, and approximately $9.8M in 2024.

79.   In advance of the 2025 budget process, this audit was requested by the Finance & Responsible Governance Committee on January 31, 2024.

Objective

80.   The objective of this Value-for-Money (VFM) audit was to assess whether the BPL is operating in an economical, efficient, and effective manner.

Methodology

81.   A VFM audit is a review of systems and procedures established by Management to ensure resources are managed with due regard to economy, efficiency, and effectiveness.
   • 	Economy – Acquisition of resources at an appropriate quality and quantity, at minimum cost;
   • 	Efficiency – Maximum output for any given set of inputs or the minimum inputs for any given quantity and quality of goods and services provided; and
   • 	Effectiveness – Whether the outcomes match the objective or intended results.

82.   The "Period of Review" was January 2023 – October 2024.

83. The following activities were performed:
    a) Discussions with BPL staff;
    b) Discussions with City staff (Corporate Facilities, Finance, HR, Legislative & Court Services, Recreation & Culture Services);
    c) Review of applicable legislative/regulatory frameworks (Public Libraries Act), by-laws, policies, and procedures;
    d) Review of external and internal financial/non-financial information (i.e. audited financial statements, internal cost reports/data, frameworks used by BPL staff to value the library);
    e) Review of policies and procedures;
    f) Review of key business processes (i.e. Cost Allocation, Procurement, Purchasing Cards, Cash Handling, etc.);
    g) Review and comparison of programs offered by BPL to the programs offered by the City's recreation facilities; and
    h) Review of applicable key performance indicators (KPI) reported by BPL.

Scope Limitations and Restrictions

Qualitative Benefits of Ontario Public Libraries

84. The total value of services that public libraries provide can be difficult to measure as many benefits are qualitative in nature (i.e. promotion of long-term learning, providing a welcoming/safe place for the community, etc.).

85. Additionally, benchmarking library performance/value is challenging, as each library's performance will vary depending on the population serviced (i.e. different demographic makeup, population size, etc.).

86. As a result, although Internal Audit (IA) was able to identify areas for improvement that will help improve the economy, efficiency, and effectiveness of the BPL, there are qualitative factors that we were unable to fully assess or quantify in our review.

No Service Agreement between the City and the BPL

87. There is no service agreement or other formal document that defines the responsibilities of City and BPL staff, identifies shared functions/services, and/or whether the BPL must comply with certain City policies and procedures.

88. In the absence of a service agreement (or other formal documentation), there were no previously established criteria for performance measurement and reporting.

Valuing Ontario Libraries Toolkit

89. There are limited frameworks available for Ontario libraries to calculate their return on investment or economic benefit. In 2024, the BPL utilized a Library valuation framework developed at the direction of the Ontario Library Service (OLS) with the support of the NORDIK Institute called the *Valuing Ontario Libraries Toolkit (VOLT)* to calculate a return on investment. The VOLT was developed to share contributions of the library with the community and to advocate for more or sustained investment/commitment to public libraries.

90. The formulas and methodology within the VOLT framework were not developed by the BPL. The appropriateness/reasonableness of the formulas and methodology established within the VOLT framework were outside the scope of this review.

91. IA reached out to the OLS to request return on investment totals reported by other Ontario libraries using the VOLT framework. However, we were informed that the OLS and the NORDIK

Institute are not collecting data from other libraries, as they consider each data set unique and do not recommend comparisons.

92.   Further, we were informed that the OLS and the NORDIK Institute do not have mechanisms to benchmark with similar sized municipalities or library systems within the VOLT framework.

93.   As the methodology and calculations within the VOLT framework were outside the scope of our review, IA was unable to conclude whether the total return on investment and economic benefit calculated by the BPL through the VOLT framework is reflective of the value provided to the City.

94.   Additionally, due to the lack of publicly available information surrounding the performance of other Ontario libraries, IA's ability to compare the BPL's performance with comparable Ontario libraries was limited.

95.   In the absence of a service agreement and available library valuation tools, our audit methodology was developed based on the strategic initiatives/objectives of the BPL and the City, as well as best practices in assessing economy, efficiency, and effectiveness.

Conclusion

96.   Based on the work performed, subject to the scope limitations and restrictions noted above, the BPL is generally operating in an economical, efficient, and effective manner.

97.   However, our review identified areas of improvement to further increase the efficiency and effectiveness of BPL processes and procedures.

Findings

Responsibilities and Shared Functions

98.   The BPL is a Service Partner of the City of Barrie. Although financial reporting for the City and Service Partners is consolidated, Service Partners are considered their own entity with their local boards accountable for the administration of their financial affairs and resources.

99.   The structure of Ontario public libraries varies by municipality, as some libraries operate as a department within a City, while others are structured as a separate entity. The BPL is generally considered a separate entity relative to the City with its own Board, but maintains its own set of financial information/records within the City's financial system (SAP).

100.   There are several shared functions/services between the BPL and the City. For example, the City's Human Resources (HR) department processes the BPL's payroll, and the City's Finance department processes all payments to vendors. However, the BPL recently hired a Finance Manager who we were advised will take over certain BPL tasks/functions currently performed by the City's Finance department.

101.   As the BPL operates within what are considered City of Barrie buildings, the City's Corporate Facilities department also provides various services to the BPL (through the use of City staff and/or external contractors) including (but not limited to) janitorial services, window cleaning, locksmithing services, electricians, and HVAC.

102.   Shared functions/services between the BPL and the City are not formally documented. However, we were advised Corporate Facilities handles matters related to the buildings, while the BPL manages library operations.

103. Services provided by Corporate Facilities are charged back to the BPL based on the actual cost with no additional markup (i.e. flowthrough cost). Other shared services provided by other departments (i.e. Finance, HR) are not charged back to the BPL.

104. BPL staff identified municipalities that have comparable library systems. For a sample of these municipalities, using publicly available information, IA found that comparable municipalities (i.e. Town of Oakville, Town of Ajax, City of Burlington) have developed or plan to develop service agreements, frameworks, and/or Memorandums of Understanding to provide greater accountability and more clearly define shared functions/services (i.e. facilities management).

105. Without formal documentation, such as a service agreement, there is a risk that opportunities to streamline processes will not be identified, resulting in duplicate efforts or confusion among both City and BPL staff.

106. The BPL and the City should consider whether a service agreement (or other formal documentation) would be beneficial in defining the responsibilities of BPL and City staff, shared functions/services, and performance management/reporting (such as KPIs).

Performance Measurement and Reporting

107. In 2024, the BPL established 19 Key Performance Indicators (KPI), which were approved by the Library Board. The established KPIs were presented to General Committee in October 2024.

108. 2024 is the first year the BPL reported on the established KPIs. IA reviewed nine of the BPL's KPIs for completeness and accuracy.

109. Our review identified that the KPIs reported for 2024 did not utilize information/data from consistent time periods. For example, some KPIs were reported for an eight-month period, while others were reported for a six-month or three-month period.

110. As best practice, the period used to measure and report KPIs should be consistent. However, IA recognizes that 2024 was the first year the KPIs were reported and thus, consistency is expected to improve in future years.

111. IA reviewed the source data used to calculate the nine KPIs reviewed, and was able to recalculate five of nine KPIs. For the remaining four KPIs, IA's recalculation had minor differences, which was due to BPL staff being unable to reproduce "live" or "snapshot" reports that were generated when the KPIs were initially reported.

112. Overall, the targets for the KPIs reviewed were achieved (even with the minor variances noted for four of the nine KPIs), except for Staff Turnover. IA's recalculation of this KPI resulted in a slight increase compared to the prior year, when the BPL's objective for this KPI is to "maintain."

113. However, the processes and procedures for calculating the established KPIs are not formally documented, which may result in inconsistent calculations.

114. As best practice, BPL staff should document its KPI calculation procedures, including the queries/reports utilized. Any reports generated to calculate the KPIs should be retained to allow BPL to efficiently address future requests or inquiries regarding KPI reporting.

115. IA recognizes that BPL staff have identified the need to formalize the process of KPI calculations and plan to do so in the future.

Library Programming

116.   Our review identified that the BPL does not currently have a process in place to compare the programs offered by the BPL to the programs offered by the City's recreation centers to identify potential duplication or redundancy. However, IA reviewed a list of programs in 2023 and 2024 offered by the BPL and the City's recreation centers and did not identify significant redundancies.

117.   Our review identified similar programs that are offered at various BPL branches and the City's recreation centers. Although IA reviewed publicly available descriptions of the programs offered, we were unable to conclude whether there was duplication or redundancy.

118.   Without a formal process or procedure to compare the programs offered at the BPL to the programs offered by the City's recreation centers, there is a risk of duplicate efforts or confusion among City and BPL staff.

119.   IA recognizes that the pricing model for programs offered by the BPL is unique, as the Public Library Act requires that most library services are offered free of charge. For example, fees cannot be charged for admission to a public library or for the use of most in-library materials (i.e. books, newspapers, audio/video cassettes, computer software, etc.). Thus, there may be legitimate reasons for offering certain programs at both the BPL and recreation centers throughout the City.

120.   BPL and City staff should consider implementing a formal process/procedure to review and compare the programs offered by the BPL to the programs offered by the City's recreation centers to identify potential inefficiencies or redundancies in programming.

Key Business Processes

121.   IA reviewed key business processes that impact the BPL's strategic decision-making and use of resources.

Procurement

122.   IA reviewed the processes and procedures surrounding various procurement methods (i.e. invitational, open, non-standard).

123.   The BPL has a *Procurement Policy* which states that the purpose of the policy is to "*encourage competition among suppliers, maximize the efficiency of Library funds and ensure product quality, efficiency, and effectiveness to meet the present and future needs of the Library*."

124.   The objectives of the *Procurement Policy* require that the BPL "*consider all costs including (but not limited to): acquisition, operating, training, maintenance, quality, warranty, payment terms, disposal value and disposal costs, in the evaluation of bid submissions*."

125.   IA reviewed a sample of purchases (based on their dollar value) and found that total procurement value (i.e. the total value of the goods/services being provided including all costs and years of award) is not consistently considered when determining whether competitive procurement is required. Based on the work performed, the annual spend or value per Purchase Order ("PO") for a vendor is considered.

126.   The threshold for the issuance of a Request for Quotation/Request for Procurement in the *Procurement Policy* is $25,001. IA noted the following examples where a competitive procurement process was not used by the BPL, but the total spend with the vendor over multiple years for same/similar goods or services exceeded this threshold:

- Same/similar subscription services have been purchased from a vendor for approximately ten years. Payments issued to this vendor since the inception of SAP (2019) totalled $158,875; and
- Same/similar marketing and promotional products have been purchased from a vendor for approximately seven years. Payments issued to this vendor for these products since the inception of SAP (2019) totalled $58,225.

127. BPL staff noted that a competitive process was not used for the above examples since the initial PO was less than the $25,001 threshold. However, based on the objectives listed in the *Procurement Policy*, total procurement value should have been considered.

128. IA recognizes that many goods/services required by the BPL may be specialized in nature, which may limit the number of qualified vendors. However, by not considering the total procurement value of a purchase when determining the appropriate procurement method, BPL may not be utilizing competitive procurement when it would be beneficial to do so, which may impact their ability to obtain best value for the goods/services purchased.

129. BPL staff should consider total procurement value, including all costs in future years, when determining whether competitive procurement is appropriate to ensure best value is obtained. This should be added to the existing *Procurement Policy.*

Cost Tracking and Allocation

130. Certain costs such as Payroll/Benefits, Minor Capital, Stationary/Supplies, and Repair & Maintenance are allocated by BPL branch.

131. However, allocation methods for shared costs are not formally documented, which may increase the risk of allocation errors or inconsistencies.

132. Additionally, our review identified that Programming costs (expenses associated with Library programs) are not allocated by branch. However, many programs are branch specific.

133. Cost allocation helps support decision-making, improves cost awareness, and provides a better overview of performance. Without formal documentation outlining allocation methods for shared costs and/or allocating Programming costs by branch, it may be difficult for BPL staff to accurately review total costs for each branch.

134. As best practice, allocation methods for shared costs should be documented to ensure consistent and accurate cost allocation to branches. As the BPL recently realigned their management structure, formal guidance should be developed outlining the procedure when there are staffing changes to ensure payroll costs are being allocated to the correct branch.

135. BPL staff should consider whether Programming costs should be allocated to specific branches.

Purchasing Cards (PCard)

136. Low value procurement can be sourced using Purchasing Cards (PCards) or POs.

137. PCards are corporate credit cards that allow goods and services to be purchased without using a traditional purchasing process.

138. Administration of a PCard to employees is authorized by the Chief Executive Officer ("CEO") or Director of Business & Development. In the case of the CEO, approval is provided by the Library Board Chair. The use of PCards is governed by the BPL's *Corporate Credit Card Policy*, however, PCards are issued by the City of Barrie's Purchasing department.

139.   PCard transaction limits range from $500 to $5,000 and monthly credit limits range from $1,000 to $10,000 per cardholder. PCards are set up with automatic payments to the credit card provider so that all outstanding balances on all PCards are paid in full each month. Cardholders are responsible for obtaining and submitting supporting documentation (i.e. itemized receipts) for their PCard purchases.

140.   The BPL has a C*orporate Credit Card Policy* that outlines acceptable and unacceptable use of a PCard, as well as addresses the procedures by which BPL staff will be governed when making PCard purchases. However, although generally known by staff, the policy does not explicitly state that splitting of transactions or purchases to circumvent PCard transaction limits is not permitted.

141.   Although we did not note any instances of transaction splitting in our review, as best practice, the *Corporate Credit Card Policy* should be updated to explicitly state that transaction splitting is not permitted.

142.   IA reviewed a sample of monthly PCard transactions for five cardholders. Based on the work performed, our review identified the following:
- Cardholders are not consistently documenting business justifications for purchases (<u>why</u> the goods/services were purchased). However, IA did not have any concerns with the nature of the PCard transactions sampled; and
- Instances of self-approval or inappropriate approval of transactions. For example, a cardholder made a PCard purchase that benefited their transaction approver.

143.   As best practice, one management-level up from the employee benefiting from the purchase should authorize the transaction.

144.   As of June 2024, the "Business Justification" field in the credit card provider's software ("Spend Dynamics") is a mandatory field. Therefore, cardholders will no longer be able to leave this field blank. However, examples of sufficient business justifications should be added to the *Corporate Credit Card Policy* to ensure cardholders are adequately describing why the goods/services were purchased.

145.   Transaction approvers must scrutinize transactions to ensure the supporting documentation provided for each purchase is appropriate (i.e. is a business expense), accurate, and complete. If transactions are not appropriately reviewed and scrutinized, there is an increased risk of inappropriate/fraudulent purchases.

146.   The BPL should consider reviewing the City's *PCard Policy* and *PCard Procedures* to identify opportunities to clarify cardholder responsibilities regarding the required documentation to support PCard purchases.

Cash Handling

147.   Although the BPL does receive cash for certain services (i.e. printing services, café, etc.), the value and frequency of cash transactions is low.

148.   IA observed several cash handling and security controls in place at the Downtown branch and did not note any issues.

Policies & Procedures

149.   IA reviewed the existing BPL policies and procedures. The BPL has four types of policies:
- "Bylaws" which establish the organizational structure of the Library Board and how it does business

- *"*Foundational policies" which record the board's decisions on vision, mission, and values;
- "Governance policies" which define the responsibilities and regulate the work of the Library Board; and
- "System policies" which regulate the services and day-to-day operations of the Library.

150. Upon review of the existing policies and procedures, we identified that the BPL does not have a *Fraud & Wrongdoing Policy* defining responsibilities regarding Fraud & Wrongdoing, such as the reporting and investigation of allegations.

151. Without a documented policy or procedure for Fraud & Wrongdoing, employees may be unaware of their duty to report concerns and/or how to report concerns, which may result in fraud and/or other unethical behaviour going undetected. Fraud and/or other unethical behaviour can negatively impact the BPL's financial resources, operations, and/or reputation.

152. BPL staff should consider implementing a *Fraud & Wrongdoing Policy* to formally define responsibilities regarding Fraud & Wrongdoing, such as the reporting and investigation of allegations.

153. Inconsistencies were also identified between the BPL's policies and internal procedures. Specifically, our review identified the following:
- The *Procurement Policy* requires POs to be created for all purchases over $50. However, the internal *Financial Authority Procedures* state that POs are required for purchases over $20,000; and
- The *Procurement Policy* currently requires that for purchases over $10,000, three quotes on a vendor letterhead must be obtained. However, the *Financial Authority Procedures* state that multiple quotes are required for purchases over $20,000.

154. Inconsistencies between BPL policies and internal procedures may cause confusion among BPL staff when executing key business functions, such as purchasing, resulting in non-compliance with policies and/or procedures.

155. To avoid confusion, BPL staff should correct any inconsistencies identified between BPL policies and internal procedures.

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

Area	# of Recommendations
Responsibilities & Shared Functions	1
Performance Measurement & Reporting	1
Library Programming	1
Key Business Functions	5
Policies & Procedures	2
Total	**10**

ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS

157. There are no environmental and/or climate change matters related to the recommendation.

ALTERNATIVES

158. As this Staff Report is being presented for information purposes only, no alternatives are presented.

FINANCIAL

159. There are no immediate financial implications for The Corporation related to this Staff Report.

LINKAGE TO 2022-2026 STRATEGIC PLAN

160. The information and recommendation included in this Staff Report supports the following goal identified in the 2022-2026 Strategic Plan:
      ☒   Responsible Governance

161. Implementation of the recommendations identified in the Internal Audit projects will achieve enhanced processes and controls to protect the City's assets as well as find efficiencies in the delivery of services to improve financial stewardship.

Appendix "A" – Building Inspection Observations, Recommendations and Management Response

Observation	Recommendation	Management Response
1. Open Permits Building inspectors generally do not proactively return to a site to follow up on open (i.e. not fully passed) inspections without communication from the permit holder, as there is no guarantee the required work has been completed. Although it is responsibility of the permit holder to notify the Chief Building Official when construction is ready to be inspected, a recent Ontario Superior Court decision (Huether v. Sharpe, 2024 ONSC 1987) found that a municipality has a duty to continuously monitor open building permit files and to follow up with the permit holder regarding the state of construction.	A formal process/procedure should be developed for inspectors to address open permits as part of regular duties.	**Automated Stale Permit Process (launched in APLI, Fall 2023)** Stale Alert notifications (automatic emails) have been created to automatically notify customers when issued permits have been inactive for a set period. We have an inspection type called 'construction verification' which allows us to follow up on dormant projects by visiting sites to determine if any construction activity has occurred. **Permit Extension Request Form (launched on barrie.ca, Fall 2023)** The objective of Building Code Act subsection 8(10) is to ensure that construction has commenced within a reasonable period following the issuance of a permit. We aim to help our customers complete their projects. Our permit extension request process provides permit holders with the opportunity for their permit to stay active for up to an additional 12 months, upon a granted extension by the Chief Building Official. **Current State** We are finalizing our 'stale permits' / 'permit extension' Standard Operating Procedure (SOP) and process maps. The Supervisor of Inspections and Senior Building Code Official monitor open permits using a report called 'Permits in Need of Closing'.
2. Quality Review/Monitoring of Inspections The City's building inspectors are highly qualified and experienced individuals. However, there is no formal quality review process for documentation of inspection results. IA recognizes that this is largely due to limited staff resources in Building Services. Building has developed several internal guidelines interpreting the OBC. However, there is no guidance outlining how to perform	Where practical, internal guidance should be developed for inspections. Additionally, a quality review process/procedure should be developed for completed building inspections.	**Quality Review/Monitoring** This occurs daily/weekly in a few ways: • The Inspections team uses a dedicated MS Teams chat, where communication is fluid. This chat is actively monitored by the Supervisor of Inspections. Inspectors use the chat to support each other in their work. • The Supervisor of Inspections actively communicates with staff on a daily/weekly basis. The Supervisor is looking for: the quality and frequency of questions from Inspectors. For example, are they

Observation	Recommendation	Management Response
each type of inspection (i.e. footing, framing, insulation, etc.). IA recognizes that it may be impractical to develop prescriptive guidance for inspections, as each inspection can vary depending on the size or complexity of the project. However, without guidelines for inspections or a quality review process for documentation of inspection results, there is a risk that insufficient or inconsistent performance/ documentation of inspections may go undetected.		asking good questions? Are they asking any questions (if not, why)? • The Inspectors use a support/buddy system, when the need arises (e.g. complex projects, areas where code interpretation can vary greatly, etc.). This ensures that inspection results are accurate according to the minimum requirements found in the Ontario Building Code and ensures that we provide quality results and comments to our customers. • Customers (e.g. onsite project contacts, site superintendents, etc.) are vocal. If they are unhappy with our Inspectors' work, they will report this to the Supervisor of Inspections. The Supervisor can determine the quality of work by the volume of complaints made. **Guidance** **<u>Service Levels</u>** We will be creating Service Levels (SOPs), beginning with framing and insulation (as part of an Inspector's Lean Six Sigma Yellow Belt Project). The Service Levels will provide guidance on 'what' should be inspected. **<u>Checklists</u>** From experience (lessons learned from the APLI project), it is too cumbersome for Inspectors to complete full checklists onsite (slows them down, decreases efficiency). However, we are in the process of creating standardized wording for inspection results. The standardized comments work as a 'reverse checklist' for Inspectors (standard comments list common deficiencies).

Observation	Recommendation	Management Response
3. Inconsistent Application of Inspection Results Our review identified that although there are general expectations of when certain results would be applied by building inspectors, there is no formal guidance or definitions for the result categories available. This resulted in inconsistent application of results by building inspectors. Inconsistent reporting of inspection results may make it difficult for the City to defend inspection results, if required.	Building should review the inspection result selections available in APLI. Building should work with IT to remove any redundant or unnecessary inspection result selections. Formal guidance and definitions for each inspection result available should be developed to ensure inspectors are documenting inspection results consistently.	**Inspection Results SOP** We are in the process of finalizing our Inspection Results SOP. The SOP will list each inspection result (e.g. passed, failed, health & safety refusal, etc.) and indicate when the result should be used. **APLI / Removing Inspections** We will be removing unnecessary/ redundant inspection results from APLI. Until the changes are made in the system, Inspectors will be instructed not to use the results that are planned for removal. **Standardized Wording** We are creating standard comments for Inspectors. When onsite and using the Accela Mobile application, Inspectors can select comments from a list and click to insert it into their inspection comments. We launched a standard template to be used for every inspection. Inspectors will insert and complete the template (e.g. Building Project Onsite Contact, Issued Drawings Onsite, Next Inspection, Deficiencies/Notes).
4. Sites Not Ready for Inspection There were 19 instances where sites were not ready for their scheduled inspection, as documented in the inspection comments. There were 18 additional inspections which were cancelled with no inspection comments entered by the building inspector. As per Building's internal process, if the inspector attends the site and they are not ready for the inspection, the inspector records a "failed" result. However, if the inspector is notified in advance that the site is not ready for inspection, the inspector records a "cancelled" result. Inspectors did not consistently document whether the inspector	Guidance should be developed for inspectors outlining documentation requirements in APLI when sites are not ready for inspection.	**Inspection Results SOP** As mentioned, we are in the process of finalizing our Inspection Results SOP. The SOP will advise Inspectors when to use 'Cancelled' (e.g. only when they did not attend site). Inspectors will be instructed to use 'Failed' if they attended the site, but the inspection was unable to occur. They can select from standard comments for common 'Failed' results (e.g. drawings not onsite, site not ready, etc.).

Observation	Recommendation	Management Response
attended the site or was notified in advance. As a result, we are unable to verify whether the inspection should have been "failed" or "cancelled". Documentation of whether the inspector attended the site is important, as this may impact whether a re-inspection fee is charged to the permitholder.		
5. Reporting of KPI and/or Other Key Measures IA reviewed the KPIs related to building permit inspections, which are reported annually by the Building department. Mandated Timeframe for Inspections • Building inspectors have two business days following the date of an inspection request to conduct a building inspection. • IA recalculated the compliance % with the mandated timeframe reported by Building for 2021, 2022, and 2023 using the inspection data from APLI and noted minor differences (less than 1% variance per year reviewed). Total Inspections Requested in 2023 • IA also recalculated the total number of inspections requested in 2023 using the inspection data from APLI and noted a minor difference (less than 1% variance). As a result of our review, Building identified that the report designed to total the number of inspections requested in APLI did not align with the GIS dashboard, which is the tool used to report the total number of inspections requested. Building was unable to reconcile the differences identified at the	Although the differences identified by IA for the KPIs reviewed were minor, Building should work with IT to ensure reports are readily available/accessible to support any KPIs reported, such as compliance with the mandated timeframe for building inspections outlined in the OBC and the total number of inspections requested.	**Mandated Timeframe for Inspections** We will submit a ticket to the APLI IT team to create a supplementary report for our Performance Plan KPIs. This request will not be started until the Accela system moves to the Cloud, and this request will be prioritized at that time. **Total Requested Inspections** Upon request, the GIS team can provide permit numbers that support their data in the dashboard. Work is ongoing with the GIS team and Building Services to ensure reports in multiple programs are referencing the same data set.

Observation	Recommendation	Management Response
time of the audit. However, the differences were minor in nature. Additionally, IA's recalculations indicate higher performance (i.e. higher compliance %, higher number of inspections requested) than the totals reported by Building.		

Appendix "B" – Value-for-Money Audit of the Barrie Public Library
Observations & Recommendations

Observation	Recommendation
1. Responsibilities & Shared Functions There is no service agreement (or other formal documentation) that outlines the responsibilities of BPL and City staff, identifies shared functions/services, and/or whether the BPL must comply with certain City policies and procedures. Without formal documentation, there is a risk that opportunities to streamline processes will not be identified, resulting in duplicate efforts or confusion among both City and BPL staff.	BPL and City staff should consider whether a service agreement (or other formal documentation) would be beneficial in defining the responsibilities of BPL and City staff, shared functions/services, and performance management/reporting.
2. Performance Measurement & Reporting In 2024, the BPL established 19 Key Performance Indicators (KPI), which were approved by the Library Board. IA reviewed a sample of nine KPIs for completeness and accuracy and identified the following: • KPIs reported for 2024 did not utilize information/data from consistent time periods. For example, some KPIs were reported for an eight-month period, while others were reported for a six-month or three-month period. • For four KPIs reviewed, IA's recalculation had minor differences, which was due to BPL staff being unable to reproduce "live" or "snapshot" reports that were generated when the KPIs were initially reported. • The processes and procedures for calculating the established KPIs have not been formally documented, which may result in inconsistent calculations.	The period used to measure and report KPIs should be consistent. However, IA recognizes that 2024 was the first year the KPIs were reported and thus, consistency is expected to improve in future years. As best practice, BPL staff should document its KPI calculation procedures, including the queries/reports utilized. Any reports generated to calculate the KPIs should be retained to allow BPL to efficiently address future requests or inquiries regarding their KPI reporting. IA recognizes that BPL staff have identified the need to formalize the process of KPI calculations and plan to do so in the future.
3. Library Programming Our review identified that the BPL does not currently have a process in place to compare the programs offered to the programs/services offered by the City's Recreation centers to identify duplication or redundancy. However, IA reviewed a list of programs offered by the BPL and the City's Recreation Centers in 2023 and 2024 and did not detect significant redundancies. Without a formal process or procedure to compare the programs/services offered at the BPL to the programs/services offered by the City's	BPL staff should work with City staff to implement a formal process/procedure to review and compare the programs/services offered by the BPL to the programs/services offered by the City's recreation centers to identify potential inefficiencies/redundancies in programming.

Observation	Recommendation
Recreation Centers, there is a risk of duplicate efforts or confusion among both City and BPL staff.	
4. **Key Business Functions (Procurement)** IA reviewed a sample of purchases (based on their dollar value) and found that total procurement value (i.e. the total value of the goods/services being provided including all costs and years of award) is not consistently considered when determining whether competitive procurement is required. Based on the work performed, generally annual spend or value per Purchase Order (PO) is considered. By not considering the total procurement value of a purchase when determining the appropriate procurement method, BPL may not be utilizing competitive procurement when it would be beneficial to do so, which may impact their ability to obtain best value for the goods/services purchased.	BPL staff should consider total procurement value, including all costs in future years, when determining whether competitive procurement is appropriate to ensure best value is obtained. This consideration should be added to the existing *Procurement Policy*.
5. **Key Business Functions (Cost Allocation – Documentation)** Certain costs such as Payroll/Benefits, Minor Capital, Stationary/Supplies, and Repair & Maintenance are allocated by BPL branch. However, allocation methods for shared costs are not formally documented, which may increase the risk of allocation errors or inconsistencies. Cost allocation helps support decision-making, improves cost awareness, and provides a better overview of performance. Without formal documentation outlining allocation methods for shared costs, it may be difficult for BPL staff to accurately review total costs for each branch.	As best practice, allocation methods for costs should be documented to ensure consistent and accurate cost allocation to branches. As the BPL recently realigned their management structure, formal guidance should be developed outlining the procedure when there are staffing changes to ensure payroll costs are being allocated to the correct branch.
6. **Key Business Functions (Cost Allocation – Shared Costs)** Programming costs (expenses associated with Library programs) are not allocated by branch. However, many programs are branch specific. Cost allocation helps support decision-making, improves cost awareness, and provides a better overview of performance. By not allocating Programming costs to their designated branch, it may be difficult for BPL staff to accurately review total costs for each branch.	BPL staff should consider whether Programming costs should be allocated to specific branches.

Observation	Recommendation
7. Key Business Functions (PCards – Transaction Splitting) The BPL has a *Corporate Credit Card Policy* that governs acceptable and unacceptable use of a PCard, as well as addresses the procedures by which BPL staff will be governed when making PCard purchases The *Corporate Credit Card Policy* does not explicitly state that splitting of transactions or purchases to circumvent PCard transaction limits is not permitted. IA recognizes, however, that BPL staff are aware that transaction splitting to circumvent protocols is not permitted.	Although we did not note any instances of transaction splitting in our review, as best practice, the *Corporate Credit Card Policy* should be revised to explicitly state that transaction splitting is not permitted.
8. Key Business Functions (PCards –Transaction Approval & Business Justification) IA reviewed a sample of monthly PCard transactions for five BPL cardholders. Based on the work performed, our review identified the following: • Cardholders are not adequately documenting business justifications for purchases (<u>why</u> the goods/services were purchased). However, IA did not have any concerns with the nature of the PCard transactions sampled; and • Instances of self-approval or inappropriate approval of transactions. For example, a cardholder made a PCard purchase that benefited their transaction approver.	Transaction approvers must scrutinize transactions to ensure the supporting documentation provided for each purchase is appropriate (i.e. is a business expense), accurate, and complete. If transactions are not appropriately reviewed and scrutinized, there is an increased risk of inappropriate/fraudulent purchases. Examples of sufficient business justifications should be added to the *Corporate Credit Card Policy* to ensure cardholders are adequately describing why the goods/services were purchased. Additionally, as best practice, one management-level up from the employee benefiting from the purchase should authorize the transaction. BPL staff should consider reviewing the City's *PCard Policy* and *PCard Procedures* to identify opportunities to clarify cardholder responsibilities regarding the required documentation to support PCard purchases.

Observation	Recommendation
9. Policies & Procedures (Fraud & Wrongdoing) IA reviewed the existing BPL policies and procedures. Our review identified that the BPL does not have a *Fraud & Wrongdoing Policy* defining responsibilities regarding Fraud & Wrongdoing, such as the reporting and investigation of allegations. Without a documented policy or procedure for Fraud & Wrongdoing, employees may be unaware of their duty to report concerns and/or how to report concerns, which may result in fraud or other unethical behaviour going undetected. Fraud and/or other unethical behaviour can negatively impact the City's financial resources, operations, and/or reputation.	BPL staff should consider implementing a *Fraud & Wrongdoing Policy* to formally define responsibilities regarding Fraud & Wrongdoing, such as the reporting and investigation of allegations.
10. Policies & Procedures (Inconsistencies) Inconsistencies were identified between the BPL's policies and internal procedures. Specifically, our review identified the following: • The *Procurement Policy* requires POs to be created for all purchases over $50. However, the internal *Financial Authority Procedures* state that POs are required for purchases over $20,000; and • The *Procurement Policy* currently requires that for purchases over $10,000, three quotes on a vendor letterhead must be obtained. However, the *Financial Authority Procedures* state that multiple quotes are required for purchases over $20,000. Inconsistencies between BPL policies and internal procedures may cause confusion among BPL staff when executing key business functions, such as purchasing, resulting in non-compliance with policies and/or procedures.	To avoid confusion, BPL staff should correct any inconsistencies identified between BPL policies and internal procedures.