


Municipal Accommodation Tax Audit

Audit Committee – February 5, 2024



Agenda

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1. Audit Objective
 2. Scope and Methodology
 3. Conclusion, Issues and Observations
 4. Management Action Plans
 5. Next Steps
 6. Questions

Audit Objective

- ▶ To evaluate the adequacy and effectiveness of the internal controls, processes and procedures in place to mitigate the business risks associated with the administration and oversight of the Municipal Accommodation Tax (MAT) program.

Audit Scope and Methodology

- Review of strategic goals, objectives, policies and procedures and management oversight
- On-site observations
- Use of technology
- Staff interviews
- The audit scope included department related activities that occurred from January 2021 to August 2023.

Conclusion, Issues and Observations

The following opportunities were identified:

- 1 Developing a program to validate operator MAT submissions.
- 2 Ensuring technology is fully leveraged.
- 3 Developing standard operating procedures (SOPs) and service level agreements (SLAs) with departmental stakeholders.
- 4 Ensure staff have resources to provide sufficient administration and oversight over the MAT program.

Management Action Plans

Management Action Plans

1

Develop a program to validate operator MAT submissions.

- Financial Services and the Office of the Chief Information Officer (OCIO) will engage the software vendor to confirm the feasibility, cost and requirements to allow operators to upload backup to support MAT submissions.
- City staff will explore options for retaining an external auditing company to develop a process for auditing operator MAT submissions.

Management Action Plans

2 Ensure technology is fully leveraged.

- Financial Services, OCIO, and BCLPS will review the STR process to determine if the process can be reworked.
- Financial Services and OCIO will review and investigate the feasibility with the software vendor to restrict the risk of input errors.
- Financial Services and BCLPS will work with the OCIO to include fields and address reporting gaps in the MAT and AMANDA system.

Management Action Plans

3 Develop SOPs and SLAs with departmental stakeholders.

- Draft SOPs have been developed for MAT by Financial Services and will be revised and updated as management action plans are completed in consultation with BCLPS and Economic Development.
- SLAs will be developed for relevant processes.

Management Action Plans

4 Ensure staff have the resources to provide sufficient administration and oversight over the MAT program.

- Financial Services, Economic Development and BCLPS will review the recommended funding requirements with Financial Planning & Development Finance and make the appropriate funding requests in the 2025 budget.
- Economic Development and Tourism Vaughan will review recent increase in MAT rates in Toronto and Mississauga. Staff will assess and report the impact on Vaughan and any opportunities.

Next Steps

- ✓ Action plans have been developed
- ✓ Implementation is underway
- ✓ Internal Audit will follow up and report on the status of these action plans



Questions?



Thank you!