



**CITY OF HAMILTON**  
*City Manager's Office*  
**Audit Services**

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	June 9, 2014
<b>SUBJECT/REPORT NO:</b>	Follow Up of Audit Report 2012-06 - Public Works - Snow Clearing / Sand & Salt Contracts (AUD14018) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Ann Pekaruk 905-546-2424 x4469
<b>SUBMITTED BY:</b>	Ann Pekaruk Director, Audit Services City Manager's Office
<b>SIGNATURE:</b>	

**RECOMMENDATION**

That Report AUD14018, respecting the follow up of Audit Report 2012-06, Public Works – Snow Clearing / Salt & Sand Contracts, be received.

**EXECUTIVE SUMMARY**

Audit Report 2012-06 was originally issued in January, 2013 and management action plans with implementation timelines for the seven recommendations were included in the Report. In April, 2014, Internal Audit conducted a follow up exercise to determine if appropriate and timely actions had been taken. Of the seven recommendations made in the original report, there is varied implementation ranging from “Not Completed” to “Completed”. Details of implementation specific to each recommendation are in Appendix “A” to Report AUD14018.

***Alternatives for Consideration –Not Applicable***

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS (for recommendation(s) only)**

Financial: None.

Staffing: None.

Legal: None.

## **HISTORICAL BACKGROUND (Chronology of events)**

Audit Report 2012-06, Public Works – Snow Clearing / Salt & Sand Contracts was originally issued in January, 2013. The report provided seven recommendations for improving controls and strengthening inventory management processes.

It is normal practice for Internal Audit to conduct follow up reviews within 12-18 months following the issuance of the original report in order to determine whether action plans committed to by department management have been implemented in a timely fashion.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

- Harmonized Winter Control Level of Service Standards and Response Guideline (TOE01113), 2001
- Ontario Municipal Act (Revised 2010), Regulation 239/02
- Ontario Ministry of Transportation - Ontario Provincial Standard Specification (OPSS) 2502

## **RELEVANT CONSULTATION**

The results of the follow up were provided to management responsible for the Roads and Maintenance Section in the Operations Division of the Public Works Department.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION (Include Performance Measurement/Benchmarking Data if applicable)**

The report attached as Appendix “A” to Report AUD14018 contains the first three columns as originally reported in Report 2012-06 along with an added fourth column indicating Internal Audit’s comments as a result of the follow up work.

Seven recommendations were made and are in various states of implementation. One recommendation has been completed. Two of the recommendations have been initiated and the remaining four recommendations have not been completed. Appendix “A” to Report AUD14018 should be examined for details of implementation by recommendation.

Audit Services conducted this follow up assignment in conformity with the *International Standards for the Professional Practice of Internal Auditing*. Audit Services believes that the work performed provides a reasonable basis for the follow up comments and conclusions.

**ALTERNATIVES FOR CONSIDERATION**

**(Include Financial, Staffing, Legal and Policy Implications and Pros and Cons for each alternative)**

Not Applicable.

**ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN**

**Strategic Priority #2**

*Valued & Sustainable Services*

*WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.*

**Strategic Objective**

2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.

**Strategic Priority #3**

Leadership & Governance

*WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.*

**Strategic Objective**

3.4 Enhance opportunities for administrative and operational efficiencies.

**APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" to Report AUD14018

ap:bm