



CITY OF HAMILTON
City Manager's Office
Audit Services Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	August 13, 2014
SUBJECT/REPORT NO:	Follow Up of Audit Report 2013-03 - Planning & Economic Development (P&ED) - Building Permit Fees (AUD14021) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Ann Pekaruk 905-546-2424 x4469
SUBMITTED BY:	Ann Pekaruk Director, Audit Services City Manager's Office
SIGNATURE:	

RECOMMENDATION

That Report AUD14021, respecting the follow up of Audit Report 2013-03, Planning and Economic Development – Building Permit Fees, be received.

EXECUTIVE SUMMARY

Audit Report 2013-03 was originally issued in June, 2013 and management action plans with implementation timelines for the six recommendations were included in the Report. In June, 2014, Internal Audit conducted a follow up exercise to determine if appropriate and timely actions had been taken. Of the six recommendations made in the original report, there is varied implementation ranging from “Not Completed” to “Completed”. Details of implementation specific to each recommendation are included in Appendix “A” to Report AUD14021.

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 2013-03, P&ED – Building Permit Fees was originally issued in June, 2013. The report provided six recommendations for improving controls and strengthening management oversight and reporting to Council.

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

- Ontario Building Code Act, 1992
- City of Hamilton By-law 08-161 (under the Building Code Act, 1992 respecting permits and related matters)

RELEVANT CONSULTATION

The results of the follow up were provided to management in the Building Division of the Planning and Economic Development Department.

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

The report attached as Appendix “A” to Report AUD14021 contains the first three columns as originally reported in Report 2013-03 along with an added fourth column indicating Internal Audit’s comments as a result of the follow up work.

Six recommendations were made and are in various states of implementation. Two recommendations have been completed. One of the recommendations was originally disagreed with by management and accepted by Council so no further follow up work was conducted. Of the remaining three recommendations, one has been initiated (written procedures) and two have not been completed (meeting Council reporting deadline and maintaining complete information for permit fee refunds). Appendix “A” to Report AUD14021 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 AUD14021

ap:bm