



CITY OF HAMILTON
CITY MANAGER'S OFFICE
Audit Services Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	March 9, 2015
SUBJECT/REPORT NO:	Follow Up of Audit Report 2013-07 - Public Works (PW) and Corporate Services (CS) - Inactive Landfill Sites - Controls & Liabilities (AUD15009) (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 AUD15009, respecting the follow up of Audit Report 2013-07, Public Works (PW) and Corporate Services (CS) - Inactive Landfill Sites - Controls & Liabilities, be received.

EXECUTIVE SUMMARY

Audit Report 2013-07 was originally issued in October, 2013 and management action plans with implementation timelines were included in the Report. In November, 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, five recommendations have been completed and one is in progress. Details of implementation specific to each recommendation are included in Appendix "A" to Report AUD15009.

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 2013-07, Public Works (PW) and Corporate Services (CS) - Inactive Landfill Sites - Controls & Liabilities was originally issued in October, 2013. The report provided six recommendations to strengthen administrative controls and maintain adequate supporting documentation in regard to the annual liability calculations.

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.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

- Public Sector Accounting Board Standards (PSAB) 3270 – Solid Waste Landfill Closure and Post-closure Liability
- Environmental Protection Act –R.S.O. 1990, Chapter 19

RELEVANT CONSULTATION

The results of the follow up were provided to management responsible for the financial and operational administration of inactive landfill sites, i.e. the Operations Division of Public Works and the Financial Services Division of Corporate Services.

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

The report attached as Appendix “A” to Report AUD15009 contains the first three columns as originally reported in Report 2013-07 along with an added fourth column indicating Internal Audit’s comments as a result of the follow up work.

There were six recommendations. Five recommendations were “Completed” and one was “In Progress” (the development, approval and implementation of procedures by CS and PW to calculate the liability of the landfill sites). Appendix “A” to Report AUD15009 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 AUD15009

ap:dp