



**CITY OF HAMILTON**  
**CITY MANAGER'S OFFICE**  
**Audit Services Division**

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	April 13, 2015
<b>SUBJECT/REPORT NO:</b>	Follow Up of Audit Report 2012-11 - Public Health Services - Dental Services - Claims Payment Process (AUD15014) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Ann Pekaruk 905-546-2424 x4469 Brigitte Minard 905-546-2424 x2088
<b>SUBMITTED BY:</b>	Ann Pekaruk Director, Audit Services City Manager's Office
<b>SIGNATURE:</b>	

**RECOMMENDATION**

That Report AUD15014, respecting the follow up of Audit Report 2012-11, Public Health Services - Dental Services - Claims Payment Process, be received.

**EXECUTIVE SUMMARY**

Audit Report 2012-11 was originally issued in June, 2013 and management action plans with implementation timelines were included in the Report. In January, 2015, Internal Audit conducted a follow up exercise to determine if appropriate and timely actions had been taken. Of the 17 recommendations made in the original Report, six recommendations have been completed, seven had an alternative implemented, one was not practical, two were no longer applicable and one remains not completed. Details of implementation specific to each recommendation are included in Appendix "A" to Report AUD15014.

***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 2012-11 Public Health Services - Dental Services - Claims Payment Process was originally issued in June, 2013. The report provided 17 recommendations for improving controls and strengthening managerial oversight and accountability.

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**

- Ontario Ministry of Health and Long-Term Care – Use of Oral Health Information Support System (OHISS), Mandatory Programs Fee Guide
- City of Hamilton Public Health Services – Clinical and Preventive Services Division Policy and Procedure Manual

## **RELEVANT CONSULTATION**

The results of the follow up were provided to management responsible for the administration of the claims payment process, i.e. Dental Services, Clinical and Preventive Services Division of the Public Health Services Department.

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

The report attached as Appendix “A” to Report AUD15014 contains the first three columns as originally reported in Report 2012-11 along with an added fourth column indicating Internal Audit’s comments as a result of the follow up work.

There were 17 recommendations. Six recommendations were “Completed” and seven had an acceptable “Alternative Implemented”. One recommendation was “Not Practical” (OHISS duplication), two were “No Longer Applicable” (returned cheques - scanning and sharing a list of returned cheques with Finance & Administration). One recommendation was “Not Completed” (payment of invalid claims). Appendix “A” to Report AUD15014 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 AUD15014

ap:ah