



CITY OF HAMILTON
CITY MANAGER'S OFFICE
Audit Services Division

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| TO: | Chair and Members Audit, Finance and Administration Committee |
| COMMITTEE DATE: | April 13, 2015 |
| SUBJECT/REPORT NO: | Audit Report 2014-14 - Public Health Services - Hamilton Prenatal Nutrition Program (AUD15013) (City Wide) |
| WARD(S) AFFECTED: | City Wide |
| PREPARED BY: | Ann Pekaruk 905-546-2424 x4469 Brigitte Minard 905-546-2424 x2088 |
| SUBMITTED BY: | Ann Pekaruk Director, Audit Services City Manager's Office |
| SIGNATURE: | |

RECOMMENDATION

- (a) That the Management Action Plans as detailed in Appendix "A" of Report AUD15013 be approved; and
- (b) That the Medical Officer of Health be directed to instruct the appropriate staff to have the Management Action Plans (attached as Appendix "A" to Report AUD15013) implemented.

EXECUTIVE SUMMARY

The 2014 Internal Audit work plan "B"-List approved by Council included an audit of Public Health Individual Programs, from which the Hamilton Prenatal Nutrition Program (HPNP) was selected. The audit scope included program activities and related internal controls for the period April 2014 to August 2014. Management, administrative and operational processes associated with the program were assessed. Recommendations were made to strengthen internal controls, ensure the safeguarding of program inventory, and identify opportunities for administrative efficiencies and improved management oversight.

The results of the audit are presented in a formal Audit Report (2014-14) containing observations, recommendations and management responses. Audit Report 2014-14 is attached as Appendix "A" to Report AUD15013.

Alternatives for Consideration – Not Applicable

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

Financial: The strengthened reconciliation process may reduce inventory anomalies which could result increased in incentive distribution to program participants in the community.

Staffing: The streamlined recording and reconciliation process may allow staff to direct more of their time to delivering the HPNP to program participants in the community.

Legal: None.

HISTORICAL BACKGROUND (Chronology of events)

The audit was scheduled as part of the 2014 Internal Audit work plan “B”-list approved by Council. The audit fieldwork was completed in October 2014 to November 2014. The results of this audit are attached as Appendix “A” of Report AUD15013.

The Audit, Finance and Administration Committee receives and approves final audit and review reports as part of its responsibilities for the oversight of governance and control.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Not Applicable.

RELEVANT CONSULTATION

Appendix “A” to Report AUD15013 includes action plans which reflect the responses of management responsible for the administration of the Hamilton Prenatal Nutrition Program in the Family Health Division of the Public Health Services Department.

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

The Canada Prenatal Nutrition Program was established by the Public Health Agency of Canada to address the needs of pregnant and postnatal women at risk. The HPNP, sponsored by the Family Health Division, is a local extension of the federal program. The HPNP provides counselling and education to participants on nutrition, health, breastfeeding and infant care and referrals to other agencies and services as needed.

The audit focused on the controls in place for the distribution of incentive items (food coupons and vitamin supplements) that are provided to program participants.

A formal audit report containing observations, recommendations and management action plans was issued and is attached as Appendix “A” of Report AUD15013.

The main areas for improvement noted in Audit Report 2014-14 include:

- Strengthening the oversight for the distribution of incentives to ensure the accountability of program resources;
- Automating the recording and reconciling of transactions and the elimination of duplicate records; and
- Developing comprehensive written procedures for program and administrative activities.

Management and staff agreed with all the recommendations with the majority of implementation expected to be completed by the second quarter of 2015. Specific action plans can be found in the attached Audit Report (Appendix "A" to Report AUD15013).

Audit Services conducted this audit in conformity with the *International Standards for the Professional Practice of Internal Auditing*. These standards require that Audit Services plan and perform the audit to obtain sufficient, appropriate evidence to support the findings and conclusions based on the audit objectives. Audit Services believes that the work performed provides a reasonable basis for the audit findings 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 #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

- 1.5 Support the development and implementation of neighbourhood and City wide strategies that will improve the health and well-being of residents.

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 AUD15013

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