



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

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	June 22, 2015
SUBJECT/REPORT NO:	Audit Report 2014-12 - Planning & Economic Development - By-law Enforcement (AUD15020) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Brigitte Minard 905-546-2424 x2088 Ashley Frank 905-546-2424 x3830
SUBMITTED BY:	Brigitte Minard Acting Director, Audit Services City Manager's Office
SIGNATURE:	

RECOMMENDATION

- (a) That the Management Action Plans as detailed in Appendix “A” of Report AUD15020 be approved; and
- (b) That the General Manager of Planning and Economic Development be directed to instruct the appropriate staff to have the Management Action Plans (attached as Appendix “A” to Report AUD15020) implemented.

EXECUTIVE SUMMARY

The 2014 Internal Audit work plan “B-List” approved by Council included an audit of By-law Enforcement. The audit reviewed the By-law administrative and enforcement practices followed by Municipal Law Enforcement. It also reviewed the issuance and collection of fees and charges for By-law violations.

The audit focused on the Yard Maintenance, Property Standards, Heat and Vital Services By-laws.

The results of the audit are presented in a formal Audit Report (2014-12) containing observations, recommendations and management responses. Audit Report 2014-12 is attached as Appendix “A” to Report AUD15020.

Alternatives for Consideration – Not Applicable

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

Financial: Issuance of Provincial Offence Notices at the time of the second by-law violation for the same offence in the year/season may result in an increase in revenue, the amount which cannot currently be estimated.

Staffing: The Management Action Plans for the recommendations regarding management oversight in Appendix “A” include resource limitations and will ultimately require additional staffing resources which will be requested during the 2016 budget process.

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 January, 2015 and February, 2015. The results of this audit are attached as Appendix “A” of Report AUD15020.

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

- Yard Maintenance By-law (10-118)
- Property Standards By-law (10-221)
- Heat By-law (04-091)
- Vital Services By-law (09-190)

RELEVANT CONSULTATION

Appendix “A” to Report AUD15020 includes action plans which reflect the responses of management responsible for the administration of the Municipal Law Enforcement Section in the Parking and By-law Services Division of the Planning & Economic Development Department.

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

In 2014, Municipal Law Enforcement generated approximately \$214,000 in revenues from user fees related to the Yard Maintenance, Property Standards, Heat and Vital Services By-laws. In 2014, approximately 9,500 service requests related to these By-laws were logged for follow up by Municipal Law Enforcement Officers.

The audit reviewed the By-law administration and enforcement practices associated with conducting investigations, responding to complaints and proactive actions taken.

The adequacy of controls around the issuance and collection of fees and charges for By-law violations was also reviewed. The audit scope period covered January 1, 2014 to December 31, 2014.

A formal audit report containing observations, recommendations and management action plans was issued and is attached as Appendix "A" of Report AUD15020.

The main areas for improvement noted in Audit Report 2014-12 include:

- Reviewing the systems used to record information relating to By-law complaints and investigations to gain efficiencies.
- Strengthening management oversight for enforcement processes to ensure timely follow up of complaints and the accuracy of fees charged for violations;
- Improving the documentation of enforcement activities and fees charged; and
- Strengthening the security of systems that store Municipal Law Enforcement records.

Management and staff have agreed to take measures in the near future in order to implement fifteen of the sixteen formal recommendations. One recommendation is no longer applicable due to a process change after the conclusion of the audit. Specific action plans can be found in the attached report (Appendix "A" to Report AUD15020).

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.
2.3 Enhance customer service satisfaction.

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 AUD15020

BM:af