



**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>	September 14, 2015
<b>SUBJECT/REPORT NO:</b>	Follow Up of Audit Report 2013-16 Community and Emergency Services - Homes for the Aged - Accommodation Fees and Trust Funds (AUD15019) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Brigitte Minard 905-546-2424 x2088 Kelvin Ko 905-546-2424 x3107
<b>SUBMITTED BY:</b>	Brigitte Minard CPA, CA, CIA, CGAP Acting Director, Audit Services City Manager's Office
<b>SIGNATURE:</b>	

**RECOMMENDATION**

That Report AUD15019, respecting the follow up of Audit Report 2013-16, Community and Emergency Services - Homes for the Aged - Accommodation Fees and Trust Funds, be received.

**EXECUTIVE SUMMARY**

Audit Report 2013-16 was originally issued in March, 2014 and management action plans with implementation timelines were included in the Report. In March, 2015, Internal Audit conducted a follow up exercise to determine if appropriate and timely actions had been taken. There were 16 recommendations made in the original Report, which were found to be in varying stages of completion across the two locations (Macassa and Wentworth Lodges). Details of implementation specific to each recommendation are included in Appendix "A" to Report AUD15019.

***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 2013-16 Community and Emergency Services - Homes for the Aged – Accommodation Fees and Trust Funds was originally issued in March, 2014. The report provided 16 recommendations for improving controls, strengthening management oversight, safeguarding funds and increasing administrative efficiency.

It is normal practice for Audit Services to conduct follow up audits 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**

Long Term Care Homes Act, 2007 and Ontario Regulation 79/10

Community & Emergency Services, Lodges, Business Office Manual

### **RELEVANT CONSULTATION**

The results of the follow up were provided to management responsible for administration of accommodation fees and residents' trust funds at Macassa and Wentworth Lodges, in the Community and Emergency Services Department.

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

The report attached as Appendix "A" to Report AUD15019 contains the first three columns as originally reported in Report 2013-16 along with an added fourth column indicating Audit Services' comments as a result of the follow up work. The original Addendum has also been updated with follow up comments.

There were 16 recommendations. All recommendations made were applicable to both Macassa and Wentworth Lodges. However, for several items the two locations were in varying stages of implementation. The following is a detailed breakdown of the current status of the recommendations:

- General Recommendations: Three recommendations were "Completed" and three had an acceptable "Alternative Implemented". Two recommendations were "In Progress" (Bad Debt Reimbursement) and one was "Initiated" (Updated Accommodation Agreements). Three recommendations were "Not Completed" (Sequential Ordering, Cash Box Maximums and Segregation of Duties – Personal Trust Accounts).
- Macassa Lodge: Four recommendations were found to have a current status of "Completed".

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- Wentworth: Two recommendations were “In Progress” (Sequential Ordering and Management Signoff of Batches) and two were “Not Completed” (Power of Attorney Resident Account Balances and Authorized Services).

Appendix “A” to Report AUD15019 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 AUD15019.

BM:kk