



CITY OF HAMILTON
CITY MANAGER'S OFFICE
Audit Services Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	September 14, 2015
SUBJECT/REPORT NO:	Audit Report 2014-16 – City Manager's Office – Office of the City Clerk – Records Management (AUD15023) (City Wide)
WARD(S) AFFECTED:	City Wide
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SUBMITTED BY:	Brigitte Minard CPA, CA, CIA, CGAP Acting Director, Audit Services City Manager's Office
SIGNATURE:	

RECOMMENDATION

- (a) That the Management Action Plans as detailed in Appendix "A" of Report AUD15023 be approved; and
- (b) That the City Manager be directed to instruct the appropriate staff to have the Management Action Plans (attached as Appendix "A" to Report AUD15023) implemented.

EXECUTIVE SUMMARY

The 2014 Internal Audit work plan approved by Council included an audit of the City's physical records management process. The audit focused on the City's compliance with applicable legislation regarding records retention, the reliability of its tracking and retrieval process and an assessment of the storage environment.

The results of the audit are presented in a formal Audit Report (2014-16) containing observations, recommendations and management responses. Audit Report 2014-16 is attached as Appendix "A" to Report AUD15023.

Alternatives for Consideration – Not Applicable

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

Financial: Avoiding overcapacity of records may result in future cost savings for the City by utilizing existing storage space and not having to expand storage facilities until required due to the requirements of the Records Retention By-law.

Staffing: None.

Legal: The recommendations in this report will enhance compliance with the Records Retention By-law.

HISTORICAL BACKGROUND (Chronology of events)

The audit was scheduled as part of the 2014 Internal Audit work plan approved by Council. The audit fieldwork was completed in December 2014 to March 2015. The results of this audit are attached as Appendix “A” of Report AUD15023.

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

- Municipal Act, 2001, Province of Ontario
- Municipal Freedom of Information and Protection of Privacy Act (MFIPPA), Province of Ontario
- Records Retention By-law, City of Hamilton By-law 11-040

RELEVANT CONSULTATION

Appendix “A” to Report AUD15023 includes action plans which reflect the responses of management responsible for the administration of records in the Office of the City Clerk Division of the City Manager’s Office.

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

The *Municipal Act, 2001* requires that records can be retrieved within a reasonable time and are in a format that allows its content to be readily ascertained by a person inspecting the records. Retention periods may be established by the municipality, which in the City of Hamilton is laid out in By-law 11-040. The Office of the City Clerk is responsible for the retrieval of documents from various departments in the City, delivering records upon request and overseeing the destruction of records which have passed their retention period. At the end of 2014, the Records/Information Management Section had approximately 21,000 boxes of documents in its care in a storage facility adjacent to City Hall.

The audit focused on the City’s compliance with applicable legislation regarding the storage and preservation of records, the accuracy and completeness of its records system, reliability of the tracking and retrieval process and the physical and environmental condition of the storage space.

A formal audit report containing observations, recommendations and management action plans was issued and is attached as Appendix “A” of Report AUD15023.

The main areas for improvement noted in Audit Report 2014-16 include:

- Actively managing inventory to ensure that the storage facility is able to accommodate future growth;
- Strengthening compliance with the Records Retention By-Law; and
- Ensuring all documents in the care of the Records Management Section are reflected in the records database.

Management agreed with all seven of the recommendations, with the majority of implementation to be completed by the fourth quarter of 2016.

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 #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

3.2 Build organizational capacity to ensure the City has a skilled workforce that is capable and enabled to deliver its business objectives.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report AUD15023

BM:kk