



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

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	March 7, 2016
SUBJECT/REPORT NO:	Follow Up to Audit Report 2013-08 Public Works - Transit Overtime (AUD16003) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Brigitte Minard CPA, CA, CIA, CGAP 905-546-2424 x2088 Kelvin Ko CPA, CMA, CIA 905-546-2424 x3107
SUBMITTED BY:	Charles Brown CPA, CA, CPA (Illinois) Director, Audit Services City Manager's Office
SIGNATURE:	

RECOMMENDATION

That Report AUD16003, respecting the follow up of Audit Report 2013-08, Public Works – Transit Overtime, be received.

EXECUTIVE SUMMARY

Audit Report 2013-08 was originally issued in December, 2013 and management action plans with implementation timelines were included in the Report. In December, 2015, Audit Services conducted a follow up exercise to determine if appropriate and timely actions had been taken. Of the 12 recommendations made in the original Report, three recommendations have been completed and one has had an acceptable alternative implemented. A further two are in progress, one has been initiated and five remain not completed. Details of implementation specific to each recommendation are included in Appendix “A” to Report AUD16003.

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 2013-08, Public Works – Transit Overtime was originally issued in December, 2013. The report provided 12 recommendations to strengthen administrative controls and management oversight with regard to overtime.

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It is normal practice for Audit Services 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

None.

RELEVANT CONSULTATION

The results of the follow up were provided to management responsible for the operational administration of Transit, i.e. Transportation Division of Public Works Department.

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

The report attached as Appendix “A” to Report AUD16003 contains the first three columns as originally reported in Report 2013-08 along with an added fourth column indicating Audit Services’ comments as a result of the follow up work.

There were 12 recommendations. Three recommendations were “Completed”, one had an acceptable “Alternative Implemented”, and two were “In Progress” (attendance management; and tracking overtime usage-analysis). One was “Initiated” (assignment of work-documentation maintenance). An additional five recommendations were “Not Completed” (three related to management review of operator payroll; assignment of work-documentation digitization; and business procedures). Appendix “A” to Report AUD16003 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

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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 AUD16003

bm:ah