



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 of Audit Report 2013-12 Public Works – Food Services (Golf Courses) (AUD16006) (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 AUD16006, respecting the follow up of Audit Report 2013-12, Public Works – Food Services (Golf Courses), be received.

EXECUTIVE SUMMARY

Audit Report 2013-12 was originally issued in February, 2014 and management action plans with implementation timelines were included in the Report. In August, 2015, Audit Services conducted a follow up exercise to determine if appropriate and timely actions had been taken. Of the 23 recommendations made in the original Report, eleven recommendations have been completed, one had an acceptable alternative implemented, four are no longer applicable, five are in progress, one has been initiated and one remains not completed. Details of implementation specific to each recommendation are included in Appendix “A” to Report AUD16006.

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 2013-12, Public Works – Food Services (Golf Courses) was originally issued in February, 2014. The report provided 23 recommendations for improving controls and strengthening managerial oversight and accountability.

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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 administration of food services at the City's golf courses, the Corporate Assets and Strategic Planning Division of the Public Works Department.

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

The report attached as Appendix "A" to Report AUD16006 contains the first three columns as originally reported in Report 2013-12 along with an added fourth column indicating Audit Services' comments as a result of the follow up work.

There were 23 recommendations. Eleven recommendations were "Completed", one had an acceptable "Alternative Implemented" and four were "No Longer Applicable". An additional five recommendations were "In Progress" (inventory reconciliation; two recommendations related to the Jencess Inventory Reconciliation; inventory waste authorization; and inventory sales). One recommendation was "Initiated" (monitoring of inventory waste). An additional recommendation was "Not Completed" (catering revenue). Appendix "A" to Report AUD16006 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 AUD16006

bm:ah