



**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>	April 25, 2016
<b>SUBJECT/REPORT NO:</b>	Follow Up of Audit Report 2014-01 Public Works - Fuel Usage (AUD16002) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Brigitte Minard CPA, CA, CIA, CGAP 905-546-2424 x2088
<b>SUBMITTED BY:</b>	Charles Brown CPA, CA, CPA (Illinois) Director, Audit Services City Manager's Office
<b>SIGNATURE:</b>	

**RECOMMENDATION**

That Report AUD16002, respecting the follow up of Audit Report 2014-01, Public Works – Fuel Usage, be received.

**EXECUTIVE SUMMARY**

Audit Report 2014-01 was originally issued in May 2014 and management action plans with implementation timelines were included in the Report. In October 2015, Audit Services conducted a follow up exercise to determine if appropriate and timely actions had been taken. Some additional work was completed in February 2016. Of the 19 recommendations made in the original Report, six recommendations are completed, ten are in progress, one has been initiated and two remain not completed. Details of implementation specific to each recommendation are included in Appendix “A” to Report AUD16002.

***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 2014-01, Public Works – Fuel Usage was originally issued in May 2014. The report provided 19 recommendations for improving controls and strengthening managerial oversight and accountability.

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 the City's fuel usage, 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 AUD16002 contains the first three columns as originally reported in Report 2014-01 along with an added fourth column indicating Audit Services' comments from the follow up work conducted.

There were 19 recommendations. Six recommendations were "Completed", ten were "In Progress" (including procedures; monitoring fuel volumes; manual sites; fuel usage reconciliations; management sign-off; and Avantis access). One was "Initiated" (miscellaneous group fuel numbers). An additional two recommendations were "Not Completed" (operator access-review of termination reports and system bypass). Appendix "A" to Report AUD16002 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 AUD16002

BM:ah