

**CITY OF HAMILTON
INTERNAL AUDIT REPORT 2014-14
PUBLIC HEALTH SERVICES (PHS) – HAMILTON PRENATAL NUTRITION PROGRAM (HPNP)
FOLLOW UP**

OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN	FOLLOW UP (June 2017)
<p><u>Accountability of the Incentive System</u></p> <p>Participants and Parent Volunteers are provided gift cards as incentives for their participation and assistance in the HPNP. Management reviews and signs off quarterly counts and reconciliations to ensure appropriate use of incentives. However, the current process is insufficient to provide effective oversight. For example:</p> <ul style="list-style-type: none"> • Totals from a physical count were different than the expected balance based on transaction history. This was not adequately disclosed as only the ending balance was provided to management; • The reconciliation is not based on true inventory values. Incentives in staff possession are not accounted for and bus tickets are not tracked after removal from the safe; and • Distribution amounts are maintained but not reported and there is no comparison of distribution across locations or against participation levels. <p>Management oversight of the flow of program incentives is an important control to ensure accountability of City resources and that spending is occurring in accordance with the HPNP budget.</p>	<p>1. That the reconciliation process be strengthened to provide management with sufficient information to conduct reviews, detect anomalies and assist in the decision making process.</p>	<p>Agreed. The process will be strengthened in the following manner:</p> <p>a) A Business Support Secretary will review and reconcile safe contents monthly and a Supervisor, Administrative Services will review and sign the safe reconciliation log each quarter.</p> <p>b) The Manager, Business Operations will document this strengthened reconciliation process in the PHS Policy and Procedure for handling cash and items with cash value by Q2, 2015.</p> <p>c) The Manager, Business Operations and Manager, Child Health will develop and implement a system of documenting gift card and bus ticket distribution within regular client documentation, with a regular audit process to be conducted by a Supervisor, Administrative Support, by Q2, 2015.</p>	<p>In Progress.</p> <p>Management has implemented a revised reconciliation process that tracks the purchase, storage and distribution of gift cards and incentives. However, based on physical counts, not all gift cards issued to participants and parent volunteers are being recorded. Management indicated that the process will be revised by September 2017 to correct this discrepancy.</p> <p>Expected completion: Q3 2017.</p>

**PHS – HAMILTON PRENATAL NUTRITION PROGRAM – FOLLOW UP
JUNE 2017**

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<p><u>Efficiency of Staff Resources</u> Records surrounding the distribution and receipt of incentive items are maintained separately by the Program Secretary and Public Health Dietitians. Much of the information including serial numbers, dollar values and volumes is duplicated in several places and a significant amount of staff time is used for this manual input and tracking process.</p> <p>Reducing unnecessary layers of documentation can allow for the more efficient use of staff time, reduce opportunities for error and improve the value of the recordkeeping and reconciliation processes.</p>	<p>2. That the HPNP investigate ways to streamline its recording and reconciliation process. Calculations should be automated and unnecessary documents eliminated, where possible.</p> <p>3. That HPNP assess its reporting and reconciliation needs and consult with other units in PHS or Corporate Services with the appropriate expertise, if necessary, to create or modify an existing document to suit these purposes.</p>	<p>Agreed. The revised Policy and Procedure referred to in the Management Action Plan for recommendation #1 will include streamlined recording and reconciliation processes. Unnecessary documents will be eliminated and where possible, calculations will be automated.</p> <p>Agreed. Consultation across PHS and Corporate Services will be undertaken in the development of the Policy and Procedure noted above.</p>	<p>Completed. The recording and reconciliation process has been streamlined. Calculations are automated and only necessary documents are used.</p> <p>No Longer Applicable. Management has streamlined the reconciliation process and assessed their reporting needs. Consultation with other Public Health Services units or Corporate Services is no longer required.</p>

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<p><u>Policies & Procedures</u> Procedures for the Dietitians, Nurses and the Program Secretary, as well as the handling of incentives, were provided. However, these documents are in draft form and have not been formally approved by management.</p> <p>When written procedures are not formalized, staff rely on their own experience and judgment in carrying out their responsibilities. This may lead to inconsistent application and may also be difficult for a successor to fulfill his/her duties efficiently.</p>	<p>4. That management finalize and approve policies and/or procedures governing the program activities. These procedures should be reviewed and signed off by management annually or whenever a significant change in process occurs.</p>	<p>Agreed. The Manager, Business Operations will finalize a revised PHS Policy and Procedure for handling cash and items with cash value by Q2, 2015.</p> <p>This Policy and Procedure will be reviewed and signed off annually or whenever a significant change in process occurs.</p>	<p>In Progress: Management has formalized approved written procedures. However, not all subsequent procedural changes are reflected in the written document. In addition, annual management review and sign off of the procedures is not documented. Management indicated that the procedure will be reviewed and updated by the end of the year.</p> <p>Expected Completion: Q4 2017.</p>