



CITY OF HAMILTON
CITY MANAGER'S OFFICE
Audit Services Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	August 16, 2017
SUBJECT/REPORT NO:	Follow Up to Audit Report 2014-09 Corporate Services – Accounts Receivable (AUD17019) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Charles Brown CPA, CA, CPA (Illinois) 905-546-2424 x4469
SUBMITTED BY:	Charles Brown CPA, CA, CPA (Illinois) Director, Audit Services City Manager's Office
SIGNATURE:	

Discussion of Private and Confidential Appendix “B” to Report AUD17019 in closed session is subject to the following requirement of the City of Hamilton’s Procedural By-law and the Ontario Municipal Act, 2001:

- **The security of the property of the municipality or local board.**

RECOMMENDATION

- a) That Report AUD17019, respecting the follow up of Audit Report 2014-09, Corporate Services – Accounts Receivable, be received.
- b) That Appendix “B” to Report AUD17019 respecting the City Wide Follow Up to Audit Report 2014-09 Corporate Services – Accounts Receivable remain confidential.

EXECUTIVE SUMMARY

Audit Report 2014-09 was originally issued in April 2015 and management action plans with implementation timelines were included in the Report. In July 2017, Audit Services conducted a follow up exercise to determine if appropriate and timely actions had been taken. Of the six recommendations made in the original Report, three recommendations have been completed, one recommendation is in progress, one recommendation is initiated and one recommendation is not completed. Details of implementation specific to each recommendation are included in Appendix “A” and Private and Confidential Appendix “B” to Report AUD17019.

Alternatives for Consideration –Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: None.

Staffing: None.

Legal: None.

HISTORICAL BACKGROUND

Audit Report 2014-09, Corporate Services – Accounts Receivable, was originally issued in April 2015. The Report provided six recommendations to strengthen internal controls, safeguard information and improve management oversight.

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 be department management have been implemented. This follow up audit was delayed as a result of staffing vacancies.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

None.

RELEVANT CONSULTATION

The results of the follow up were provided to management responsible for the administration of Accounts Receivable in the Financial Services Division of the Corporate Services Department. A response from the IT Division of the Corporate Services Department is noted in Private and Confidential Appendix “B”.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The report attached as Appendix “A” and Private and Confidential Appendix “B” to Report AUD17019 contains the original report, Audit Report 2014-09, along with comments indicating Audit Services’ findings as a result of the follow up work that was performed.

There were six recommendations. Three recommendations were “Completed”, one was “In Progress”, one was “Initiated” and one was “Not Completed”. Appendix “A” and Private and Confidential Appendix “B” to Report AUD17019 contain the details of implementation by recommendation.

Audit Services conducted this follow up audit 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.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

ALTERNATIVES FOR CONSIDERATION

Not applicable.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report AUD17019

Private and Confidential Appendix “B” to Report AUD17019