



CITY OF HAMILTON
CITY MANAGER'S OFFICE
Audit Services Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	September 11, 2017
SUBJECT/REPORT NO:	Follow Up to Audit Report 2014-17 Public Works - Water Billings Process (AUD17025) (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:	

RECOMMENDATION

That Report AUD17025, respecting the follow up of Audit Report 2014-17, Public Works - Water Billings Process, be received.

EXECUTIVE SUMMARY

Audit Report 2014-17 was originally issued in September 2015 and management action plans with implementation timelines were included in the Report. In August 2017, Audit Services conducted a follow up exercise to determine if appropriate and timely actions had been taken. Of the four recommendations made in the original Report, one recommendation has been completed, two recommendations had a suitable alternative implemented, and one recommendation is not completed. Details of implementation specific to each recommendation are included in Appendix "A" to Report AUD17025.

Alternatives for Consideration –Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Billing accounts with four or more consecutive estimated water readings at the higher usage rates set by the updated Water and Wastewater Consecutive Estimated Accounts Policy will result in additional revenues. The amount of potential future revenues cannot be estimated at this time.

Staffing: None.

Legal: None.

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.

HISTORICAL BACKGROUND

Audit Report 2014-17, Public Works - Water Billings Process, was originally issued in September 2015. The Report provided four recommendations to strengthen internal controls.

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 water meter maintenance of the Hamilton Water Division of Public Works. In addition, the follow up results reflect responses from the Billings Section of Alectra Utilities (formerly Horizon Utilities Corporation).

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The report attached as Appendix “A” to Report AUD17025 contains the original report, Audit Report 2014-17, along with comments indicating Audit Services’ findings as a result of the follow up work that was performed.

There were four recommendations. Three recommendations were “Completed” or had a suitable “Alternative Implemented” and one was “Not Completed”. Appendix “A” to Report AUD17025 contains 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.

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 AUD17025