



**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>	December 7, 2017
<b>SUBJECT/REPORT NO:</b>	Follow Up to Performance Audit Report 2015-07 Protective Plumbing Program (Value for Money Audit) (AUD17031) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Charles Brown CPA, CA, CPA (Illinois) 905-546-2424 x4469
<b>SUBMITTED BY:</b>	Charles Brown CPA, CA, CPA (Illinois) Director, Audit Services City Manager's Office
<b>SIGNATURE:</b>	

**RECOMMENDATION**

That Report AUD17031, respecting the follow up of Performance Audit Report 2015-07, Protective Plumbing Program (Value for Money Audit), be received.

**EXECUTIVE SUMMARY**

Performance Audit Report 2015-07 was originally issued in December 2015 and management action plans with implementation timelines were included in the Report. In September 2017, Audit Services conducted a follow up exercise to determine if appropriate and timely actions had been taken. The 12 recommendations made in the original Report are in varying stages of completion due to the involvement of multiple stakeholder groups. Details of implementation specific to each recommendation are included in Appendix "A" to Report AUD17031.

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: Implementation of a list of pre-qualified contractors to perform Protective Plumbing Program work at pre-established prices will achieve greater value for money as savings up to \$520,500 or service enhancement to 295 additional properties may be realized.

Staffing: None.

Legal: None.

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*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**

Performance Audit Report 2015-07, Protective Plumbing Program (Value for Money Audit), was originally issued in December 2015. The Report provided 12 recommendations to improve value for money, customer service, process efficiency, achievement of program objectives and controls surrounding the assessment of future grant and loan applications.

The 2016-2018 Audit Services Work Plan included a project to conduct follow up audits on previously issued Performance Audit reports in order to determine whether action plans committed to by department management have been implemented, and the associated savings or additional revenues realized.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

None.

## **RELEVANT CONSULTATION**

The results of the follow up were provided to management responsible for the administration of the Protective Plumbing Program – the Hamilton Water Division of the Public Works Department in coordination with management in the Risk Management Section in the Legal Services Division and the Finance Section in the Financial Planning, Administration and Policy Division of the Corporate Services Department.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

The report attached as Appendix “A” to Report AUD17031 contains Audit Services’ Recommendations and the Management Action Plans as originally reported in Report 2015-07 along with an added column indicating Audit Services’ comments as a result of the follow up work that was performed.

The 12 recommendations contained in the original Report were found to be in varying stages of completion due to the involvement of multiple stakeholder groups. Appendix “A” to Report AUD17031 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 AUD17031