



Hamilton

INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 5, 2019
SUBJECT/REPORT NO:	Audit and Accountability Fund Third Party Reviewer's Report (FCS19059(b)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	John Savoia (905) 546-2424 Ext. 7298
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

COUNCIL DIRECTION

N/A

INFORMATION

Council, at its June 12, 2019 meeting, directed staff to provide options for potential application to the Audit and Accountability Fund (Fund), that fall within the criteria of the program guidelines, with an associated cost of up to \$250 K.

The Province announced, on May 21, 2019, the creation of the \$7.35 M Fund for large urban municipalities and school boards in Ontario “to help municipalities become more efficient and modernize service delivery while protecting front line jobs.” The Fund is a conditional grant program available to 39 large urban municipalities and 10 school boards across the province.

To be eligible for this funding, the Province expects a review of municipal expenditures to find efficiencies. The Province has outlined three forms a review project could take including:

- A line-by-line review of the municipality’s entire budget;
- A review of service delivery and modernization opportunities;
- A review of administrative processes to reduce costs.

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.

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Given the parameters / options of the program, on June 26, 2019, Council approved that the City explore an Expression of Interest under “a review of service delivery and modernization opportunities” stream specifically, a third-party review of the City’s use of external consultants and contractors.

On August 8, 2019, the City was notified that it will receive funding of up to \$250 K towards the Review of Use of External Contractors and Consultants (refer to Appendix “C” to Report FCS19059(a)).

The Review examined feasible and innovative service delivery options where external consultants and contractors are utilized extensively. The Review focused on the overall service performance in relation to approved service standards. The outcome of the Review identifies sustainable long-term service delivery efficiencies and associated cost savings.

The reporting requirement of this Fund is extremely short with a final report by the third party to be posted publicly by November 30, 2019 and therefore, the City single sourced a third-party consultant to complete this work to meet the provincial timelines. BMA Management Consulting Inc. (BMA) was engaged to conduct the Review.

The Review consisted of three areas of focus:

- Review of reliance of consultants for Development Charges (DC) studies
- Review reliance on Contractors Maintenance on the City’s Water Distribution System
- Review use of consultants to perform various studies involved with Transportation Modelling

On September 26, 2019, the Province provided a deadline extension whereby the City must publicly post the consultant’s final report with specific and actionable recommendations for cost-savings by December 31, 2019. The City is required to submit a draft report to the Ministry of Municipal Affairs and Housing by November 30, 2019.

Jim Bruzzese, President of BMA will present the Review findings to the Audit, Finance and Administration Committee on December 5, 2019.

APPENDICES AND SCHEDULES ATTACHED

N/A

JS/dt