



Hamilton

Office of the City Auditor

Hamilton Future Fund Audit

Recommendations and Management Response

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Office of the City Auditor

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Introduction

The following ten recommendations will improve oversight and governance of the Hamilton Future Fund.

Please note that Management has provided one, short management response, and will be submitting a comprehensive management action plan to the Office of the City Auditor (OCA) by June 2022. The OCA will review these responses, and once satisfied that they adequately address the audit recommendations, they will be submitted to the Audit, Finance and Administration Committee for approval and for direction to be provided to Management to implement their action plans.

Recommendation 1

That a terms of reference and a reserve strategy for the HFF be developed in order to ensure fund transparency, sufficiency and that the mission and guiding principles are achieved. A reserve strategy for the HFF can outline how the funds will be used in alignment with the City’s strategic plan.

Recommendation 2

That Management (in consultation with the HFF Board of Governors), consider conducting public consultations regarding the development of a fund strategy that includes ensuring future approve projects are in alignment with the City’s strategic plan.

Recommendation 3

That the roles, responsibilities and accountabilities of City staff who support the HFF be formalized, including the assignment of fund administrator duties so that HFF administrative matters are adequately managed on an ongoing basis.

Recommendation 4

That there be a defined meeting schedule for the Board of Governors, including a specified number of meetings per year, to provide adequate and timely oversight to the HFF activities.

Recommendation 5

That the existing Fund B checklist be revised to become an evaluation form that includes scoring of grants in each application category/criteria. Consistent evaluation practices will enhance the objectivity and transparency when evaluating the following:

- The grant application’s alignment with the objectives of the program; and
- Justification of the selection of the grant recipients based on the merit of the proposal.

Recommendation 6

That the Board consider revising the grant application form and scoring checklist/evaluation to include criteria on how the project contributes to equity, diversity and inclusion in Hamilton.

Recommendation 7

That the processes for contract management of grants be formalized and strengthened, with attention to the following areas:

- Development of a standard format or template for progress and final reporting of grant activities including project expenditures and outcomes;
- Requiring that progress and final reports on expenditures and project outcomes be submitted at regular intervals as part of the grant agreements;
- City staff (Fund Administrator) be required to follow-up on the receipt and completeness of progress and final reports including the use of funds and outcome measures;
- Consideration be given to the payment of funds in installments according to the length and progress of the project;
- Develop guidelines around the right to audit grant recipients if required according to the monitoring of progress reporting and use of funds; and
- Consult with Legal Services, as appropriate.

Recommendation 8

That the Hamilton Future Fund Administrator develop performance measures and reporting to demonstrate the achievement of program goals and value-for-money for funded projects, both internal and external to the City.

Recommendation 9

That performance reporting be used to develop future evaluation criteria and HFF investment priorities that are in alignment with the objectives and guiding principles of the HFF.

Recommendation 10

That management follow the direction of Council and provide regular reporting (i.e. at least annually) on the reserve and projects funded from the HFF.

Management Response

Management is agreeable with all 10 of the OCA’s recommendations.

Management will work towards thorough Management Action Plans intended to strengthen the oversight of the Hamilton Future Fund, including providing rigour and transparency to the management of funds to ensure that program objectives are achieved, therefore reducing financial and reputational risk to City.

Management will provide thorough Management Action Plans to the OCA, so that the OCA can review and report to Committee and Council.

**Office of the
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