



## **AUDIT, FINANCE AND ADMINISTRATION COMMITTEE REPORT 23-019**

**9:30 a.m.**

**December 7, 2023**

**Council Chambers**

**Hamilton City Hall**

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**Present:** Councillors C. Kroetsch (Chair), J. Beattie, B. Clark, T. Hwang, M. Spadafora, M. Tadeson, A. Wilson and M. Wilson

**Also**

**Present:** Councillor J.P. Danko

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### **THE AUDIT, FINANCE AND ADMINISTRATION COMMITTEE PRESENTS REPORT 23-019 AND RESPECTFULLY RECOMMENDS:**

- 1. Options for the City of Hamilton's Board of Health Governance (BOH23039) (City Wide) (Outstanding Business List Item) (Item 8.1)**
  - (a) That Council approve, in principle, a semi-autonomous Board of Health governance structure with features similar to the City of Toronto and City of Ottawa:
    - (i) That Council direct staff to prepare and submit an application to the Province of Ontario for special legislation amending the City of Hamilton Act, 1999 and the Health Promotion and Protection Act to authorize the City to implement a semi-autonomous Board of Health governance model, with features similar to the City of Toronto and City of Ottawa Board of Health governance structures; and,
    - (ii) That Council direct staff to report back to the Public Health Committee, following approval of legislative changes with a plan to implement legislative changes and establish a semi-autonomous Board of Health for the City of Hamilton;
  - (b) That as an interim solution until legal authorization is received to implement a semi-autonomous Board of Health governance model, a change be made to the membership of the Public Health Standing Committee to include six City Council members, six community representatives, and one education representative, using the City of Hamilton's existing selection processes, and that for the foregoing purposes staff be directed to report back to the Public Health Committee to:

- (i) Prepare any amendments to the Procedural By-law that shall create a new Public Health Standing Committee, which By-law shall be drafted to become effective not earlier than the date on which the existing Public Health Standing Committee has been dissolved by the Mayor pursuant to section 284.8(1) of the Municipal Act; and,
  - (ii) Prepare for approval the qualifications and criteria for the selection of the community representatives to ensure that the Public Health Standing Committee members represent the community and have the necessary skills and competencies.
- (c) That Item 2023-C, respecting a consultation with stakeholders to identify issues, opportunities, and options for Board of Health governance, be removed from the Public Health Committee Outstanding Business List.

**2. Consent Items (Items 9.1 to 9.2)**

That the following Reports, be received:

- (a) 2023 Board of Health Self-Evaluation Results (BOH23040) (City Wide) (Item 9.1)
- (b) Governance Review Sub-Committee Report 23-005 (November 17, 2023) (Item 9.2)

**3. Office of the Auditor General Work Plan 2023 to 2026 (AUD23012) (City Wide) (Item 10.2)**

That Appendix "A" to Audit, Finance and Administration Committee Report 23-019, respecting the Office of the Auditor General Work Plan 2023 to 2026, be approved.

**4. Compound Water Meter Billing Issues (FCS23110) (City Wide) (Item 10.3)**

- (a) That the General Manager, Finance and Corporate Services, be authorized to enter into a deferred payment arrangement with a 24-month repayment period commencing in December 2023, pertaining to water and wastewater / storm charges for a total amount of \$135,167 regarding Alectra Utilities (Alectra) account number 3901671300 and service address of 265 Melvin Avenue, Hamilton; and
- (b) That the General Manager, Finance and Corporate Services, be authorized to enter into a deferred payment arrangement with a 24-month repayment period commencing in December 2023, pertaining to water and wastewater / storm charges for a total amount of \$132,137.82 regarding Alectra account number 788081300 and service address of 121 Hunter Street West, Hamilton.

**5. Hamilton Municipal Cemeteries Trust Fund Audit – Management Update (FCS23090 / PW23078) (City Wide) (Item 10.4)**

- (a) That the 17 Recommendations proposed by the Office of the City Auditor attached as Appendix “B” to Audit, Finance and Administration Committee Report 23-019, continue to be implemented in order to strengthen program governance, controls and financial reporting; and
- (b) That the amendment to By-law No. 12-151, being a By-law respecting the City of Hamilton’s Cemeteries, be amended, attached as Appendix “B” to Report FCS23090 / PW23078, which has been prepared in a form satisfactory to the City Solicitor, be enacted by Council.

**6. Land Parcel Master Agreement (FCS23111) (City Wide) (Item 10.5)**

That staff be directed to negotiate and enter into an Agreement, satisfactory to the City Solicitor, with Teranet Inc. under Procurement Policy #11 – Non-competitive Procurements to provide all land parcel/property information, automated delivery, daily and on-demand instead of every two months.

**7. 2024 City Enrichment Fund Advance Payments and 2023 Payment Update (CM23030) (City Wide) (Item 10.6)**

- (a) That effective January 1, 2024, an advance of City Enrichment Fund funding be provided to the organizations specified in Appendix “C” attached to Audit, Finance and Administration Committee Report 23-019;
- (b) That any outstanding arrears due to the City of Hamilton by the organizations (as shown in the Appendix “C” attached to Audit, Finance and Administration Committee Report 23-019) be first applied against the approved City Enrichment Fund grant, including advances until the debt is satisfied, prior to that organization receiving the balance of any approved payment, and;
- (c) That the City Enrichment Fund requirement for audited financial statements for the Winona Peach Festival be waived on a one-time basis and that their 2023 approved funding be released.

**8. Indigenous Advisory Committee 2024 Budget Request (HSC23077) (City Wide) (Item 10.7)**

That the Indigenous Advisory Committee base budget submission attached as Appendix “D” to Audit, Finance and Administration Committee Report 23-019 in the amount of \$3,552.00 be approved and referred to the 2024 budget process for consideration.

**9. Procurement Sub-Committee Report 23-001 (November 23, 2023) (Item 10.8)**

That Procurement Sub-Committee Report 23-001 (November 23, 2023), be received.

**10. Auditor General Reporting of Serious Matters to Council (Case #56207) (AUD23014) (City Wide) (Item 14.1)**

- (a) That Report AUD23014, respecting Auditor General Reporting of Serious Matters to Council (Case #56207), be received; and,
- (b) That Report AUD23014, respecting Auditor General Reporting of Serious Matters to Council (Case #56207), remain confidential.

**FOR INFORMATION:**

**(a) CHANGES TO THE AGENDA (Item 2)**

The Committee Clerk advised of the following changes to the agenda:

**1. APPOINTMENT OF CHAIR AND VICE-CHAIR - *WITHDRAWN***

**6. DELEGATION REQUESTS**

- 6.1 Board of Health Governance (Item 8.1) (for today's meeting)
  - a. Kojo Dampety
  - b. Lyndon George, Hamilton Anti-Racism Resource Centre (HARRC)

**8. STAFF PRESENTATIONS**

- 8.2 Equity, Diversity and Inclusion Audit (AUD23013) (City Wide) - *WITHDRAWN*

**CHANGE TO THE ORDER OF ITEMS**

***The following Items will be considered immediately following Item 7, Delegations:***

- 9.1 2023 Board of Health Self-Evaluation Results (BOH23040) (City Wide)
- 9.2 Governance Review Sub-Committee Report 23-005 (November 17, 2023)

The agenda for the December 7, 2023 Audit, Finance and Administration Committee meeting, was approved, as amended.

**(b) DECLARATIONS OF INTEREST (Item 3)**

There were no declarations of interest.

**(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 4)**

**(i) November 16, 2023 (Item 4.1)**

The Minutes of the November 16, 2023 meeting of the Audit, Finance and Administration Committee, were approved, as presented.

**(d) DELEGATION REQUESTS (Item 6)**

The following Delegation Requests, were approved for today's meeting:

**(i) Board of Health Governance (Item 8.1) (for today's meeting)**

(1) Kojo Dampsey (Added Item 6.1(a))

(2) Lyndon George, Hamilton Anti-Racism Resource Centre (HARRC)  
(Added Item 6.1(b))

**(e) DELEGATIONS (Item 7)**

**(i) Board of Health Governance (Added Item 7.1)**

**(1) Kojo Dampsey (Added Item 7.1(a))**

Kojo Dampsey, addressed Committee respecting Board of Health Governance.

**(2) Lyndon George, Hamilton Anti-Racism Resource Centre (HARRC) (Added Item 7.1(b))**

Lyndon George, Hamilton Anti-Racism Resource Centre (HARRC), addressed Committee respecting Board of Health Governance.

The following Delegations, were received and referred to the consideration of Item 8.1, Options for the City of Hamilton's Board of Health Governance (BOH23039) (City Wide):

(1) Kojo Dampsey

(2) Lyndon George, Hamilton Anti-Racism Resource Centre (HARRC)

For further disposition of this matter, refer to Item 1.

**(f) STAFF PRESENTATIONS (Item 8)**

**(i) Options for the City of Hamilton's Board of Health Governance (BOH23039) (City Wide) (Outstanding Business List Item) (Item 8.1)**

Dr. Elizabeth Richardson, Medical Officer of Health, addressed Committee respecting Options for the City of Hamilton's Board of Health Governance, with the aid of a presentation.

The presentation from Dr. Elizabeth Richardson, Medical Officer of Health, respecting Options for the City of Hamilton's Board of Health Governance, was received.

For further disposition of this matter, refer to Item 1.

**(g) DISCUSSION ITEMS (Item 10)**

**(i) Hamilton Public Notice Policy By-law FCS23080(a) (Item 10.1)**

**(a)**

That the Hamilton Public Notice Policy By-law, attached as Appendix "A" to Report FCS23080(a), be passed and enacted.

**(b)**

(i) Report FCS23080(a), respecting Hamilton Public Notice Policy By-law was referred to staff to report back to the Governance Review Sub-Committee on the following directions:

- (1) conduct public engagement through print and online media;
- (2) engage with media partners respecting the impact of this policy on them; and
- (3) investigate the cost of an annual mailout to notify the public about where they can find information on notices.

**(h) GENERAL INFORMATION AND OTHER BUSINESS (Item 13)**

**(i) Amendments to the Outstanding Business List (Item 13.1)**

The following amendments to the Governance Review Sub-Committee Outstanding Business List, were approved:

**(1) Items Considered Completed and to be Removed**

- (a) Report on Recommendations for a Board of Health Advisory Committee**  
Added February 8, 2023 (Council Item 7.7)  
Addressed as Item 8.1 on today's agenda  
Referred from Governance Review Sub-Committee,  
November 17, 2023

- (b) Public Notification  
Added July 5, 2023 (Governance Report 23-003, Item (d)(ii))  
Addressed as Item 10.1 on today's agenda  
Referred from Governance Review Sub-Committee,  
November 17, 2023

**(i) PRIVATE AND CONFIDENTIAL (Item 14)**

Committee determined that discussion of Item 14.1 was not required in Closed Session; therefore, the matter was addressed in Open Session, as follows:

**(i) Auditor General Reporting of Serious Matters to Council (Case #56207) (AUD23014) (City Wide) (Item 14.1)**

For further disposition of this matter, refer to Item 10.

**(j) ADJOURNMENT (Item 15)**

There being no further business, the Audit, Finance and Administration Committee, was adjourned at 12:10 p.m.

Respectfully submitted,

Councillor Cameron Kroetsch, Chair  
Audit, Finance and Administration  
Committee

Tamara Bates  
Legislative Coordinator  
Office of the City Clerk

## CITY OF HAMILTON OFFICE OF THE AUDITOR GENERAL WORK PLAN 2023 to 2026

### PROJECTS COMPLETED

The following audit that Council directed in early 2023 was already reported to the Audit, Finance and Administration Committee in Q2 2023:

- Elections Administration Audit

The following audits from the 2019-2022 Work Plan were recently reported to the Audit, Finance and Administration Committee in Q4 2023:

- Stormwater Asset Management – Investigation of Recent Sewage Leaks
- Equity, Diversity, and Inclusion Audit

### PROJECTS IN PROGRESS

The following projects are in progress:

- Real Estate – Leases and Licensing Audit
- Transfer Payments and Grants
- Quality Management of Road Construction in New Development
- Personal Use of City Vehicles

### PROPOSED PROJECTS FOR 2024 to 2026

- Asset Management - Bridges
- Employee Benefits Administration
- Housing Services (One harmonized audit planning phase to be completed, and 1-2 audits to be completed on a risk-based approach, based on the audit planning findings, remainder to become part of the “B”-list)
  - Homeless and Shelter Programs (Value for Money Audit)
  - Service Manager Administration of Housing Programs
  - Capital Programs (including Housing Partnerships)
  - Rent Supplement Programs
  - Wait List Management
- CityHousing Hamilton
  - Vacancy Management
  - Property Management

- Freedom of Information Process and Records Management
- By-law Enforcement
- Development Approvals
- Building Permit Approvals and Building Inspections
- Organic Waste Management and Recycling
- Administration of Contract Payments to DARTS
- Storm Water Asset Management
- Drinking Water Supply Compliance/Conformance

## **ONGOING PROJECTS THROUGHOUT 2023 to 2026**

- Follow Up of Recommendations from Previous Audit Reports (Audit)

## **WORK PLAN DETAILS**

### **Background**

The risk-based Office of the Auditor General Work Plan for the current Council Term (2023-2026) was developed using a risk assessment process that combined information from many sources, including:

- Data from the Fraud and Waste Hotline
- Input/insights from Council
- Input from Management
- Current and emerging risks in the Local Government Sector
- High profile issues in other Municipalities
- Themes from previous audits

### **Types of Work Performed**

The Office of the Auditor General performs the following types of work:

#### **Audits (Value for Money and Compliance)**

Audits are designed to add value and improve an organization's operations. Audits help an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve risk management, control, governance processes and examine the efficiency, effectiveness and economy of operations to add value and improve the City of Hamilton's service delivery.

## **Special Investigations (Fraud, Waste and Whistleblower) and Hotline Administration**

In addition to these planned activities the OAG is responsible for providing oversight of all special investigations conducted by the City to ensure quality and independence. Special investigations are not planned activities but are responsive to need. They are undertaken by the OAG pursuant to authorities given under the Whistleblower By-law (19-181) and the operation of the City of Hamilton's Fraud and Waste Hotline, pursuant to the Fraud Policy and Protocol. These include reviews or investigations of matters of alleged or suspected wrongdoing, per the Whistleblower By-law or fraud, waste or other similar activities reported by employees or residents through the Fraud and Waste Hotline or other mechanisms.

### **Follow Up Audits**

A random spot-checking approach will be taken to validate a selection of management's progress in implementing audit recommendations. The approach will be based on the OAG's assessment of key organizational risks and themes found in audits. Follow up work may be conducted for individual audits, or may be done on an annual basis, this will be dependent on the volume of hotline reports received and the resultant number of investigations.

### **Staffing and Available Hours**

This plan reflects the current Council-approved funding and assumes no vacant positions on the Office of the Auditor General team. Value for money audits take longer to complete than compliance audits, so fewer projects are included on this work plan compared to previous plans.

The portfolio of work executed includes work plan projects, special investigations, administration of the Fraud and Waste Hotline, emerging issues audit research, maintaining the Office of the Auditor General's work methodology and audit planning.

Experience has shown that throughout the year unanticipated requests for audit resources arise from Council and management, along with spontaneous audits that are launched due to Fraud and Waste Hotline tips and trends. The work plan sets a portion of time aside to meet such requests. Time is also set aside to conduct fraud/waste/whistleblower assessments and investigations, as the same pool of staff that carries out the projects in the work plan carry out such work.

For any audit or investigation, if management does not provide information in a timely manner or does not otherwise fully cooperate, the project will take more effort to complete.

**CORPORATE SERVICES DEPARTMENT / PUBLIC WORKS DEPARTMENT  
 CEMETERY TRUST AUDIT DELIVERABLES - AUD23001**

**Completion Status Legend:**

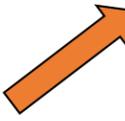
- Ongoing/ On Target
- Progressing but delayed
- Incomplete
- Not started / Pending
- Complete



Recom. No.	Audit Recommendation	Agree / Disagree	Management Response	Expected Completion Date	Completion Status	Status Update
						Q3 2023 (AUD23001)
1	<p>We recommend that a review of prior year trust allocations (as far back as there are available records) for completed Prepayment Plan (PPP) contracts be considered and an adjustment made to ensure all applicable money collected from cemetery sales is allocated to the correct trusts. All adjustments and support should be reviewed by FPAP management. A one-time adjustment should be made to bring any currently active PPP contracts into compliance with the Funeral Burial and Cremation Services Act (FBCSA) by moving all applicable trust amounts into the respective trusts. As the responsible party for recording the financial activity for Cemeteries, FPAP should have the authority to make the decision on the amount to record.</p> <p><b>Office of City Auditor Comment:</b>            In addition to interest adjustments, trust principal amounts collected and not properly allocated to the applicable trusts (incorrectly put into the operating account) should be adjusted. As noted in our report, the impact of not having the principal amounts properly allocated is estimated to have resulted in \$214K in lost interest.</p>	Agreed	<p>It is recognized that the old process that was being used was incorrect and has been corrected for 2021 onward. By the time the audit report is approved in 2023, most active PPPs will be closed so there will not be many open contracts (estimated at \$25,000). Interest adjustments identified in other recommendations in this report and management responses will be considered.</p>	Complete		Completed for 2022 year end
2	<p>To meet the record-keeping requirements of the FBCSA for the Pre-Need Trust, consider moving the trusts to individual trusts and tracking. If our current banking provider, does not provide this service, there are other financial institutions that currently offer the service. Alternatively, a process could be put in place to more accurately calculate the interest earned on the Pre-Need trust amounts. Currently, CAO staff calculates and provides an amount to be taken out of the trust and transferred to the operating account to FPAP when Pre-Need services are needed. This calculation should be done by FPAP staff and reviewed by FPAP management.</p>	Agreed	<p>Collaborative FPAP/CAO Response:            Best practices from other municipalities will be researched. The processes to setup and manage individual Pre-Need Trust accounts with a financial institution will be reviewed and assessed against the current processes. The current processes include a separate database in a Microsoft Excel spreadsheet where individual trusts and accumulated interest are tracked. FPAP staff and Cemetery Office staff can implement new procedures immediately to update the interest rate and reconcile the spreadsheet to external sources.</p>	<p>Revised Completion Date Q4 2024</p> <p>Original AUD23001, Completion: Q2 2023</p>		<p>Current/existing contracts are not recommended to transition to individual accounts. EAM is in the process of being configured to incorporate interest rate calculations. An interim process is being implemented until this process has been configured in EAM. Staff to explore if new contracts can have individual accounts.</p>

Recom. No.	Audit Recommendation	Agree / Disagree	Management Response	Expected Completion Date	Completion Status	Status Update
						Q3 2023 (AUD23001)
3	<p>There is no oversight or involvement from FPAP for the annual BAO regulatory reporting for the Cemetery Trusts. We recommend that it be clearly defined who is to be involved in the collection and validation of the information and who has the authority to complete this type of annual reporting on behalf of the City.</p> <p>The reporting is a combination of annual sales detail and trust amounts collected. It is recommended that Cemeteries and Finance staff work together to gather the information and the report be reviewed by both Cemeteries and Finance management prior to submission. The final submission should be approved by Finance.</p>	Agreed	A Standard Operating Procedure (SOP) will be created to define roles and responsibilities between FPAP and Cemetery Office staff. An annual meeting to review the report prior to submission will be part of the SOP and scheduled with defined staff and management. SOP to be completed by July 1, 2023, and annual meeting to be held thereafter.	<p>Revised Completion Date Q4 2023</p> <p>Original AUD23001, Completion: Q2 2023</p>		Standard Operating Procedures to define roles and responsibilities is underway and are expected to be completed by December 31, 2023.
4	<p>We recommend that FPAP in conjunction with Financial Services (FS) review all current and prior year revenue recognition for transactions related to Cemeteries operations and trusts. Consider consulting the City's external auditors regarding the process to restate prior year revenues.</p> <p>Additionally, current processes should be updated to ensure proper revenue recognition in the future.</p>	Agreed	FPAP staff and Cemeteries Office staff will review the revenue recognition requirements under the FBSCA financial reporting and municipal financial reporting. Staff will update processes and procedures. Staff will analyze old transactions to adjust trust fund revenues, City municipal revenues for cemeteries and other accounts. Staff will consult with the External Auditors on the process to restate prior year revenues.	Complete		Completed for 2022 year end.
5	<p>We recommend that work continue to determine why the \$1.2M Due From the City of Hamilton (COH) to the Cemeteries Trust exists and to ensure any amounts which should go to the Cemeteries Trusts are properly allocated to the applicable trust. This issue may be related to Recommendation 6.</p>	Agreed	Initial analysis up to 2021 already started, on the Due From the City of Hamilton to Cemeteries Trusts, will be restarted. With creation of the new City of Hamilton in 2001, transactions back to 2000 should be available for analysis but, depending on the volume of transactions, the exercise may be time consuming. Interest adjustments identified in other recommendations in this report and management responses will be considered. Current practices have already been corrected to prevent a repeat of this issue once required adjustments are made.	Completion Date Q4 2023		All items are reconciled with the exception of a net balance of \$115K which is being investigated with the assistance of Acctg Services to determine how to finalize. Once all entries are complete, bank transfers will be requested and appropriate journals completed.
6	<p>We recommend that FPAP include the impact of the Inter-Business Unit Balancing transaction that was part of the journal voucher to record Special Income C&amp;M Trust amounts to determine if these are part of the total that makes up the Due From amount owed to the C&amp;M Trust. Additionally, since adjustments to move the Special Income portions of the C&amp;M Trust amount were needed to move those amounts to the trust, FPAP should also review to determine if an adjustment needs to be made to the years prior to 2014 to bring the C&amp;M Trust up-to-date and to be in compliance with the FBSCA requirements. Related to this, standard operating procedures need to be developed to document the current procedure to book the Special Income revenue and C&amp;M Trust amounts. The procedures should include the process in the OW's Division to pay for the Special Income burial services and graves including any limitations which may exist for covering this expense. The procedures should include a process to communicate to FPAP if this should happen.</p>	Agreed	The analysis of past transactions in other recommendations affecting the Due from City to Cemeteries Trust will include Special Income Transactions. The appropriate SOP's will be updated too.	Completion Date Q4 2023		The Due To/ From balance owing to the Special Income C&M Trust amounts has been reconciled and journalled, including amounts prior to 2014.

Recom. No.	Audit Recommendation	Agree / Disagree	Management Response	Expected Completion Date	Completion Status	Status Update
						Q3 2023 (AUD23001)
7	We recommend the processes and procedures in CAO and FPAP be improved to address the risks identified in the audit report prior to the customizing of these processes in the City's new Enterprise Asset Management (EAM) system. This would ensure we are making the best and most efficient use of the customizations available for the new system. For example, consideration should be made when the switch to EAM is implemented to allow for reports to be run so Finance can independently pull financial transactions for booking transactions. Finance should also be involved in the EAM development. Cemeteries may also want to consider obtaining subject matter expertise of cemeteries management software and FBCSA to help build the EAM system for them. Additionally, we recommend a risk assessment be performed with IT Security to ensure all risks with using an unsupported version of HMIS on a limited-supported server are known and considered in the event of delays to the implementation.	Agreed	The EAM business case that was presented to Council prior to the project being approved is based on eliminating non-value-added activities from the business. The project will therefore improve, standardize and optimize processes for the business areas as the processes are configured into the system. The EAM system is highly configurable and does not require or involve customization. In the next stage of the project, the EAM team will be working with Cemeteries to elaborate and drill down on their required area specific workflows. These sessions will be held with Cemeteries, Finance, subject matters experts and other project team members including technical resources. Furthermore, current manual processes not included in HMIS, such as Trust Management, will be configured within the EAM system enabling the reduction of errors and cycle time. Finance will have access to the system so that they may adjust as required. The project will also be able to handle and, if desired, automate the month end requirement that is currently conducted in Excel, and trigger an email to happen under prescribed parameters. The EAM team welcomes a Subject Matter Expert (SME) of cemeteries management software and FBSCA to inform the configuration. A Risk Assessment will be completed with IT security in order to better understand the unsupported version of HMIS and the limited support server.	Revised Completion Date Q4 2024  Original AUD23001, Completion: Q3 2023		Staff from both FPAP and CAO have been included in the configuration of the EAM system and as such are ensuring the process built into the system is compliant and efficient. A Service Request has been submitted to IT to initiate a risk assessment. (October 13, 2023)
8	We recommend that the CAO charge the Council-Approved user fees for all transactions. Any price changes should be submitted as part of the annual budget process for Council approval. Cemeteries staff do not have the authority to waive or reduce fees.	Agreed	Agree, once prices are set only Council can approve waiving or reducing fees that are within the City's authority to set; some fees are legislated, and should a change occur the CAO would need to comply and neither Council or the CAO can waive or change those fees. Staff are currently charging the approved fees.	Complete		Completed for 2022 year end
9	We recommend that a standard operating procedure be implemented for non-resident fees. It should include both validation and record retention requirements.	Agreed	The creation of a Standard Operating Procedure (SOP) is underway with some progress to date. The matter of non-resident fees is complicated by Hamilton's ownership of Woodlands Cemetery, that falls within the boundaries of Burlington. Staff will prepare a recommendation report for Council consideration on how to address non-resident fees for Hamilton-owned Cemeteries.	Revised Completion Date Q4 2024  Original AUD23001, Completion: Q2 2023		Underway; need to determine what a "non resident" is especially for Woodland cemetery that is within the boundary of another municipality. CAO staff will investigate and analyze various options to see if it makes sense to keep a non resident fee or consider removing it and bring forward recommendations for consideration by General Manager of Public Works. This item will be considered as part of the business and land needs service delivery review to be started in Early 2024.
10	We recommend that the City's Cemetery By-Laws be updated to include a policy for refunds for lots/graves or niches/columbarium's to ensure compliance with the FBCSA. The City can decide if it will refund a purchase or not, but the decision should be documented in the By-laws and, the contract clause in the contract for refunds should be updated accordingly.	Agreed	The By-law will be updated and submitted to BAO for approval in order to become compliant with this recommendation and the legislation. When the legislation changed a few years ago, it was determined that Hamilton would not buy back lots/graves or niches/columbarium's, however the By-law was not updated at that time. It is anticipated that a staff report will be brought to Public Works Committee in Q2 2023. Once the By-law is approved by Council, it requires BAO review and approval, which staff estimate will take an additional 2-3 months. If changes are required by the BAO, a revised By-law and report to committee will be required.	Complete		By-law amendment submitted as part of Report FCS23090/PW23078

Recom. No.	Audit Recommendation	Agree / Disagree	Management Response	Expected Completion Date	Completion Status	Status Update
						Q3 2023 (AUD23001)
11	We recommend that the CAO address the issues identified in the Cash Handling portion of the audit (as listed in Confidential Appendix "C" to Report AUD23001) to be compliant with the Council-approved City-Wide Cash Handling Policy and Guidelines.	Agreed	Management agree that separation of duties to ensure proper oversight of cash and financial matters is important. However, separation of duties is a challenge with Cemeteries office because there are not many staff in the administration area to provide layers of approval. The Supervisor of Cemeteries does now ensure management review and sign-off of contracts and other documents where changes are required. This ensures documentation is clear for approvals. Additionally, updates to Standard Operating Procedures (SOP's) and creation of new SOP's to reflect the requirements of the cash handling policy is ongoing.	Revised Completion Date Q4 2023  Original AUD23001, Completion: Q3 2023		Cash handling SOP for the Cemeteries Administration Office is underway and is expected to be completed by December 31, 2023. The SOP addresses all issues identified at the Cemeteries Administration Office as documented on Confidential Appendix "C" to Report AUD23001. Police background checks for current staff are underway and are pending results. Safe is on order but has not yet been delivered.
12	We recommend that the CAO and FPAP Division document standard operating procedures for their respective processes for their current processes around cemetery sales and trust administration. The processes should ensure that compliance requirements are addressed and there is adequate segregation of duties. Included in the procedures should be more management oversight over processes (e.g. management review over any adjustments to the trusts, a periodic review of deposits and refunds, etc.).	Agreed	Management agree that Standard Operating Procedures (SOP's) be updated or created where there are none, to ensure management oversight and segregation of duties is clear and compliant. This is being addressed in Recommendation 11 as well as others related to SOP's to define roles and responsibilities between Cemeteries and Finance interactions.	Completion Date Q4 2023		CAO Standard Operating procedures are underway with target completion November 2023. FPAP are expected to begin late October 2023 and be complete by December 2023.
13	We recommend that the Council-approved investment policy either be updated to allow for security lending for trusts or this practice be discontinued for trusts to comply with the current policy. While completing the above, the risks of securities lending should be assessed for all trusts which earn income in this manner.	Agreed	While the inclusion of securities lending is missing from section 5 of the Statement of Investment Policies and Procedures (SIPP, Appendix "A" to Report FCS19074), securities lending is permitted in the custodian agreements through a separate securities lending agreement. Securities lending revenue is minimal. The existing agreement will be reviewed for the impact of cancelling and ceasing lending of cemetery trust securities.	Complete		Agreements with RBC Investor Services Trust have been authorized. Changes to the Statement of Investment Policies and Procedures (SIPP) will be made in the next SIPP report to Council in Q4 2023.
14	We recommend that Legal Services review the current Securities Lending Agreement and determine if there could be more advantageous or transparent terms which could be negotiated in addition to updating the terms to be current (e.g. update the list of Security Borrowers, etc.).	Agreed	Under recommendation 13, FPAP staff are looking to cease lending of cemetery trust securities so Legal Services will not be needed to negotiate terms for a new agreement.	Complete		Completed for 2022 year end.
15	We recommend that FPAP determine the purpose of the allocation of revenue to specific cemeteries and include this in their standard operating procedures. If there is no impact to financial reporting or budgeting, discontinue this to streamline the financial reporting process. This should also extend to the refund process.	Agreed	FPAP staff will discuss with CAO Manager/Superintendent to understand if there is requirement to have separate cost centers or Dept IDs for each cemetery or general cemetery costs and revenues.	Revised Completion Date Q2 2024  Original AUD23001, Completion: Q4 2023		FPAP staff are meeting late October 2023 to review options and will present recommendations to CAO Management. Completion anticipated with the 2024 budget load, Spring 2024.
16	We recommend that Cemeteries staff ensure copies of BAO reports and all contract file information is saved electronically and that Finance ensures that journal entries in PeopleSoft include applicable attachments, particularly for any one-time entries or adjustments to financial records.	Agreed	Cemeteries staff are working on the transition to digital filing and good progress is being made. All contracts are digital and reporting to the BAO is now digital per the BAO processes. Cemeteries records are nearing completion of transition to digital with scanning of archive files. FPAP staff will ensure supporting documents are saved with PeopleSoft journals.	Complete		Completed for 2022 year end.

Recom. No.	Audit Recommendation	Agree / Disagree	Management Response	Expected Completion Date	Completion Status	Status Update
						Q3 2023 (AUD23001)
17	<p>On the BAO website, there is a Compliance Self-Evaluation Checklist for Cemetery Operators that covers the breadth of the FBCSA requirements over all of cemeteries management. OCA recommends that Cemeteries and Finance review this checklist to understand what other areas or processes applicable to the COH cemeteries that may require improvements to be in compliance with the FBCSA.</p> <p>Additionally, Finance should consider reaching out to the BAO directly for any questions and being less reliant on Cemeteries staff to make inquiries. This could help develop a relationship with the BAO independently of the Cemeteries staff.</p>	Agreed	<p>Management agree to undertake the self-assessment and follow any recommendations. Finance staff and Cemetery staff can have specific independent discussions with the BAO as required to clarify process and ask questions. It will be a priority to ensure ongoing collaboration and coordination between Cemetery and Finance staff, to be clearly defined through Standard Operating Procedure (SOP) to be created per Recommendation 3.</p>	<p>Revised Completion Date Q4 2023</p> <p>Original AUD23001, Completion: Q2 2023</p>		<p>Checklist is completed for Cemeteries. Only a few minor changes needed to be compliant. Finance review underway with one item that is being investigated.</p>

**City Enrichment Fund (CEF)  
Requiring Advance Payments in 2024**

Agency	Advance Payment Schedule for 2024	# of Payments (advance)	2023 Approved Annual CEF Funding	2024 Advance Payment Amount (Monthly)	2024 Advance Payment Amount (5 Payments)
Art Gallery of Hamilton	1st of each month	5	\$1,000,000.00	\$83,333.33	\$416,666.67
Theatre Aquarius	1st of each month	5	\$262,500.00	\$21,875.00	\$109,375.00
Hamilton Philharmonic Orchestra	1st of each month	5	\$210,000.00	\$17,500.00	\$87,500.00
Brott Music Festival	1st of each month	5	\$150,000.00	\$12,500.00	\$62,500.00
<b>Total</b>			<b>\$1,622,500.00</b>	<b>\$135,208.33</b>	<b>\$676,041.67</b>

# **CITY OF HAMILTON**

**2024**

**ADVISORY COMMITTEES**

**BUDGET SUBMISSION FORM**

**"Indigenous Advisory Committee"**

**PART A: General Information**

**ADVISORY COMMITTEE MEMBERS:**

<b>Marilyn Wright (Chair)</b>	
<b>Connie Bellamy</b>	
<b>Allan Loft</b>	
<b>Scott Cruickshank</b>	
<b>Patty Lawlor (non-voting)</b>	

**MANDATE:**

The Indigenous Advisory Committee assists the City of Hamilton to honour and engage its Indigenous citizens in the pursuit of the City’s vision by providing advice and/or recommendations, through the appropriate Standing Committee of Council, that enhance the wellbeing of Indigenous people and/or resolve municipal issues.

The Committee supports the City of Hamilton’s Urban Indigenous Strategy and the successful and meaningful implementation of its Strategic Actions.

The Committee envisions a future where Hamilton is an inclusive and culturally-aware community, where issues of importance to Indigenous peoples living here are addressed proactively, effectively and respectfully on the municipal agenda.

**PART B: Strategic Planning**

**STRATEGIC OBJECTIVES:**

- to assist the City in achieving and demonstrating progress or positive change in support of the equitable economic, social, health and overall wellbeing of Indigenous citizens;
- to provide a forum and mechanism for coordinated dialogue and consultation between and among Indigenous leaders and other stakeholders, acting as a catalyst for the development of positive relationships and open, transparent dialogue between and among the City and these stakeholders; and,
- to offer input, advice and recommendations, through the Audit, Finance & Administration Committee, informed by stakeholder consultation, to support the City in determining effective municipal strategies and/or policies on issues of importance to Indigenous peoples.

**ALIGNMENT WITH CORPORATE GOALS:**

Please check off which Council approved Strategic Commitments your Advisory Committee supports			
1) Community Engagement & Participation	✓	2) Economic Prosperity & Growth	
3) Healthy & Safe Communities	✓	4) Clean & Green	
5) Built Environment & Infrastructure		6) Culture & Diversity	✓
7) Our People & Performance			

**PART C: Budget Request**

**INCIDENTAL COSTS:**

Monthly meeting expenses (refreshments, advertising, signage, postage, photocopying etc.)	
<b>SUB TOTAL</b>	<b>\$1,000.00</b>

**SPECIAL EVENT/PROJECT COSTS:**

To include: <ul style="list-style-type: none"> <li>- National Indigenous Peoples Day and National Day for Truth and Reconciliation/Orange Shirt Day                         <ul style="list-style-type: none"> <li>o Banner displays</li> <li>o NIPD recognition day event</li> </ul> </li> <li>- Support and participation in events co-hosted with the Indigenous Relations team</li> <li>- Support Hamilton's local Indigenous community initiatives where applicable.</li> </ul>	
<b>SUB TOTAL</b>	<b>\$2,552.00</b>

<b>TOTAL COSTS</b>	<b>\$3,552.00</b>
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<b>Funding from Advisory Committee Reserve (only available to Advisory Committees with reserve balances)</b>	<b>\$0.00</b>
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<b>TOTAL 2024 BUDGET REQUEST (net of reserve funding)</b>	<b>\$3,552.00</b>
<b>PREVIOUS YEAR (2023) APPROVED BUDGET (2023 Request \$3,552.00)</b>	<b>\$3,552.00</b>

**CERTIFICATION:**

Please note that this document is a request for a Budget from the City of Hamilton Operating budget. The submission of this document does not guarantee the requested budget amount. Please have a representative sign and date the document below.

**Representative's Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Telephone #:** \_\_\_\_\_