AUDIT, FINANCE & ADMINISTRATION COMMITTEE
REPORT 11-004
Wednesday, March 2, 2011
9:30 a.m.
Council Chambers
City Hall
71 Main Street West
Hamilton, Ontario

_____

Present: Councillors B. Clark (Chair), B. Johnson (Vice Chair)
                    B. Morelli, M. Pearson, R. Powers

Also Present: C. Murray, City Manager
                    R. Caterini, City Clerk
                    R. Rossini, General Manager, Finance & Corporate Services
                    T. Tollis, Treasurer
                    A. Pekaruk, Internal Auditor
                    H. Hale Tomasik, Exec. Director, H.R. & Organizational Development
                    M. Hazell, Senior Director, Parking & By-law Services
                    J. Lee, Director, Customer Service, Access & Equity
                    D. Belaisis, Manager, Employment Services
                    S. Paparella, Legislative Assistant, Office of the City Clerk

THE AUDIT, FINANCE AND ADMINISTRATION COMMITTEE PRESENTS REPORT 11-004, AND RESPECTFULLY RECOMMENDS:

1. **Tax Appeals under Section 357 and 358 of the Municipal Act, 2001 (FCS11003(a)) (City Wide) (Item 5.1)**

    (a)   That Appendix "A" attached to Report 11-004, respecting the "Tax Write-Offs processed under Section 357 of the Municipal Act, 2001", in the amount of $50,748, be approved;

    (b)   That Appendix "B" attached to Report 11-004, respecting the "Tax Appeals due to a Gross or Manifest Clerical Error, Pursuant to Section 358 of the Municipal Act, 2001", in the amount of $59,153, be approved.

Council – March 9, 2011

2.   **Treasurer's Apportionment of Land Taxes for Various Properties in Dundas, Glanbrook and Stoney Creek (FCS11001(a)) (Wards 9, 10, 11 and 13) (Item 5.2)**

(a)   That the 2010 property taxes in the amount of $5,080 for 4-20 Carriage Lane, Dundas, (Roll #2518 260 210 16000 0000) be apportioned and split amongst the five newly created parcels, as set out in Appendix C to Report 11-004;

(b)   That the 2010 tax payments in the amount of $2,497 for 4-20 Carriage Lane, Dundas, (Roll #2518 260 210 16000 0000) be apportioned and split amongst the five newly created parcels, as set out in Appendix C to Report 11-004;

(c)   That the 2010 property taxes in the amount of $18,366 for 2490 Highway 56, Glanbrook, (Roll #2518 901 340 40000 0000) be apportioned and split amongst the seventy-four newly created parcels, as set out in Appendix C to Report 11-004;

(d)   That the 2009 property taxes in the amount of $9,762 for Wentworth Standard Condo Plan (WSCP) 404, Stoney Creek, (Roll #2518 003 130 23400 0000) be apportioned and split amongst the fifty-eight units, as set out in Appendix C to Report 11-004;

(e)   That the 2010 property taxes in the amount of $38,802 for 65 Highbury Drive, Stoney Creek, (Roll #2518 003 850 00200 0000) be apportioned and split amongst the sixty-five newly created parcels, as set out in Appendix C to Report 11-004;

(f)   That the 2010 tax payments in the amount of $28,834 for 65 Highbury Drive, Stoney Creek, (Roll #2518 003 850 00200 0000) be apportioned and split amongst the sixty-five newly created parcels, as set out in Appendix C to Report 11-004.

3.   **Follow Up of Audit Report 2008-13 - Long Term Contract Review – Canada Fibers Ltd. (AUD11014) (City Wide) (Item 5.3)**

That Report AUD11014 respecting the follow up of Audit Report 2008-13, Long Term Contract Review – Canada Fibers Ltd., be received.

4.   **Follow Up of Audit Report 2009-05 - Tow Procedures (AUD11018) (City Wide) (Item 5.4)**

That Report AUD11018, respecting the follow up of Audit Report 2009-05, Tow Procedures, be received.

Council – March 9, 2011

5.   **Water for People-Canada Donation Request (FCS11018/PW11015) (City Wide) (Item 5.5)**

      That Report FCS11018/PW11015, respecting Water for People-Canada Donation Request, be received.

6.   **Reserve/Revenue Fund Investment Performance Report - December 31, 2010 (FCS10075(a)) (City Wide) (Item 5.6)**

      That Report FCS10075(a), respecting the Reserve/Revenue Fund Investment Performance Report - December 31, 2010, be received.

7.   **Hamilton Future Fund Investment Performance Report - December 31, 2010 (FCS10076(a)) (City Wide) (Item 5.7)**

      That Report FCS10076(a), respecting the Hamilton Future Fund Investment Performance Report – December 31, 2010, be received.

8.   **Cemetery Accounts Investment Performance Report - December 31, 2010 (FCS10077(a)) (City Wide) (Item 5.8)**

      That Report FCS10077(a), respecting the Cemetery Accounts Investment Performance Report - December 31, 2010, be received.

9.   **Monthly Status Report of Tenders and Requests for Proposals for January 1, 2011 to February 4, 2011 (FCS11004) (City Wide) (Item 5.9)**

      That Report FCS11004, respecting the Monthly Status Report of Tenders and Requests for Proposals for January 1, 2011 to February 4, 2011, be received.

10.   **FOI Quarterly Report – October 1 to December 31, 2010 (CL10001(c)) (City Wide) (Item 5.18)**

      That Report CL10001(c), respecting the FOI Quarterly Report – October 1 to December 31, 2010, be received.

11.   **Proposed Waterworks By-Law Amendments (FCS11007) (City Wide) (Item 8.1)**

      (a)   That the proposed amendments to the Waterworks By-law R84-026, as amended, attached as Appendix D to Report 11-004, be approved;

Council – March 9, 2011

(b)   That the City Solicitor be authorized and directed to prepare the necessary amending By-laws to the Waterworks By-law R84-026, as amended, and to the Water and Wastewater Fees and Charges By-law, which reflect the approved amendments attached as Appendix D to Report 11-004;

(c)   That, if required, staff be authorized and directed to amend the Service Agreement between the City of Hamilton and Horizon Utilities Corporation, dated May 31, 2005, and/or the Amending Agreement to this Service Agreement, dated March 22, 2010, to reflect the approved amendments attached as Appendix D to Report 11-004 in a form satisfactory to the City Solicitor and with content satisfactory to the General Manager of Finance and Corporate Services;

(d)   That the General Manager of Finance and Corporate Services and the City Clerk be authorized and directed to execute any and all documents necessary to implement amendments, if required, to the Service Agreement between the City of Hamilton and Horizon Utilities Corporation, dated May 31, 2005, and/or the Amending Agreement to this Service Agreement, dated March 22, 2010, to reflect the approved amendments attached as Appendix D to Report 11-004, in a form satisfactory to the City Solicitor.

12.   **Audit Report 2010-08 - Human Resources - Recruitment and Selection (AUD11011) (City Wide) (Item 8.2)**

(a)   That Report AUD11011 respecting Audit Report 2010-08, Human Resources – Recruitment and Selection, be received.

(b)   That the Management Action Plans, attached as Appendix "E" to Report 11-004, which reflects the following amendment, be approved:

   (i)   Item 11(b) (of Appendix E to Report 11-004), respecting the Hiring of Crossing Guards

             That no further action be taken respecting the recruitment and selection process for School Crossing Guards.

(c)   That the employee records for all School Crossing Guards be maintained at the City's Human Resources offices.

(d)   That the City Manager be directed to instruct the appropriate staff to implement the Management Action Plans, attached as Appendix "E" to Report 11-004, as amended.

Council – March 9, 2011

13. **Audit Report 2010-11 - Citizen Service Centre - Funds Handling (AUD11012) (City Wide) (Item 8.3)**

    (a)   That Report AUD11012, respecting Audit Report 2010-11, Citizen Service Centre – Funds Handling, be received;

    (b)   That the Management Action Plans, as detailed in Appendix "F" of Report 11-004, be approved; and,

    (c)   That the General Manager of Finance and Corporate Services be directed to instruct the appropriate staff to have the Management Action Plans (attached as Appendix F to Report 11-004) implemented.

14. **Audit Report 2010-07 - Information Services (IS) - Business Process Management (AUD11013) (City Wide) (Item 8.4)**

    (a)   That Report AUD11013 respecting Audit Report 2010-07, Information Services (IS) – Business Process Management, be received;

    (b)   That the Management Action Plans, as detailed in Appendix "G" of Report 11-004 be approved; and,

    (c)   That the General Manager of Finance & Corporate Services be directed to instruct the appropriate staff to have the Management Action Plans (attached as Appendix "G" to Report 11-004) implemented.

15. **Audit Report 2010-12 - Provincial Offences Administration (POA) - Revenue & Cash Handling (AUD11015) (City Wide) (Item 8.5)**

    (a)   That Report AUD11015, respecting Audit Report 2010-12, Provincial Offences Administration (POA) – Revenue & Cash Handling, be received;

    (b)   That the Management Action Plans as detailed in Appendix "H" of Report 11-004 be approved; and,

    (c)   That the General Manager of Finance and Corporate Services be directed to instruct the appropriate staff to have the Management Action Plans (attached as Appendix H to Report 11-004) implemented.

16. **Grants Sub-committee Report 11-001 (Item 8.6)**

    (a) **Appointment of Chair and Vice Chair (Item A)**

        (i)   That Councillor R. Powers be appointed as Chair of the Grants Sub-committee for the 2010-2014 term of Council.

Council – March 9, 2011

     (ii)   That Councillor L. Ferguson be appointed as Vice Chair of the Grants Sub-committee for the 2010-2014 term of Council.

(b)   **Request for Advance 2011 Community Partnership Program Payments (GRA11001) (City Wide)**

     (i)   That staff be authorized and directed to provide advance monthly payments, to 2011 Community Partnership Program applicants, as shown in Appendix "I" to Report 11-004, based upon 2010 funding levels, prior to final approval of the 2011 Community Partnership Program budget.

     (ii)   That any outstanding arrears due to the City of Hamilton, by any of the organizations, listed in the attached Appendix "I" to Report 11-004, be paid in full utilizing the approved advance funding, prior to the organization receiving any Community Partnership Program funding.

(c)   **2010 Final Community Partnership Program Budget Update (GRA11002) City Wide)**

     (i)   That the additional Event Road Closure Services (ERCS) billings for 2010 in the amount of $94,158, be approved and funded from the remaining 2010 Community Partnership Program Surpluses.

     (ii)   That the overall 2010 Community Partnership Program (CPP) Surplus, in the amount of $29,554, be transferred to the Grants Reserve Account #112230.

     (iii)   That the amount for SISO in the amount of $1,230 be committed to the reserve.

17.   **Proposed Integrated Accessibility Regulation under the Accessibility for Ontarians with Disabilities Act, 2005 (FCS11026) (City Wide) (Item 8.7)**

(a)   That Appendix A to Report FCS11026 – Proposed Integrated Accessibility Regulation under the <u>Accessibility for Ontarians with Disabilities Act</u>, 2005 containing Comments on the Proposed Regulation, be referred to the General Issues Committee.

(b)   That in order to meet the Provincial deadline of March 18, 2011 for comments on the proposed Integrated Accessibility Regulations under the <u>Accessibility for Ontarians with Disabilities Act</u>, 2005, that staff be directed to submit Report FCS11026 to the Accessibility Directorate of Ontario;

Council – March 9, 2011

(c)   That the Accessibility Directorate of Ontario be advised that the City of Hamilton requires additional time to review the proposed regulations and reserves its right to make amendments to the submitted comments at a later date

(d)   That the Mayor be directed to correspond with the Minister of Community and Social Services to request that the Province provide funding to assist Ontario municipalities with implementation of the requirements of the Accessibility for Ontarians with Disabilities Act and its regulations, and to advise the Minister that the City of Hamilton is in the process of reviewing the Act, and has noticed significant cost implications to Ontario municipalities in the Act.

18.   **Citizen Appointments to Volunteer Committees (Items 9.1 and 9.2)**

(a)   That Zafar Siddiqui be appointed to the Committee Against Racism for the 2010-2014 term of Council or until such time as a successor is appointed by Council.

(b)   That Bashasat Tayyab be appointed to the Seniors Advisory Committee for the 2010-2014 term of Council or until such time as a successor is appointed by Council.

FOR THE INFORMATION OF COUNCIL:

(a)   CHANGES TO THE AGENDA (Item 1)

The Clerk advised of the following changes to the agenda:

(i)   Added as Item 4.1 – Delegation request, submitted by Ivan Holloway, on behalf of Capital Sewer Services Inc., respecting Contract 11-102-10, Inspection and Cured-in-Place Pipe Structural Rehabilitation for Existing Sewers in the City of Hamilton

(ii)   Added as Item 4.2 – Delegation request, submitted by Chad Pearson, of Plexxis, respecting a Biometric Labour Expenses Control Tool

(iii)   Added to Item 6.1 – Correspondence from Keith Beck, respecting his Proposal to Reduce the Fees Paid by the Municipality to the Fund Managers of the City's Reserves

(iv)   Item 8.7 – Report FCS11026 – Proposed Integrated Accessibility Regulation under the Accessibility for Ontario with Disabilities Act, 2005, which is listed as "to be distributed" on the agenda.

(v)   Added as Item 9.2 – A motion respecting a Citizen Appointment to the Status of Women Committee

The agenda for the March 2, 2011 meeting of the Audit, Finance & Administration Committee was approved, as amended.

(b)   **DECLARATIONS OF INTEREST (Item 2)**

There were no declarations of interest.

(c)   **APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 3)**

(i)   **February 17, 2011**

The February 17, 2011 Minutes of the Audit, Finance & Administration Committee meeting were approved, as presented.

(d)   **DELEGATION REQUESTS (Item 4)**

(i)   **Delegation request, submitted by Ivan Holloway, on behalf of Capital Sewer Services Inc., respecting Contract 11-102-10, Inspection and Cured-in-Place Pipe Structural Rehabilitation for Existing Sewers in the City of Hamilton (Item 4.1)**

The delegation request, submitted by Ivan Holloway, on behalf of Capital Sewer Services Inc., respecting Contract 11-102-10, Inspection and Cured-in-Place Pipe Structural Rehabilitation for Existing Sewers in the City of Hamilton, was approved.

(ii)   **Delegation request, submitted by Chad Pearson, of Plexxis, respecting a Biometric Labour Expenses Control Tool (Item 4.2)**

The delegation request, submitted by Chad Pearson, of Plexxis, respecting a Biometric Labour Expenses Control Tool, was approved.

(e)   **ADVISORY COMMITTEE MINUTES**

The following Advisory Committee Minutes were received:

(i)   Committee Against Racism Minutes, dated November 23, 2010 (Item 5.10)

(ii)   Committee Against Racism Minutes, dated December 14, 2010 (Item 5.11)

(iii)   Hamilton Mundialization Committee Minutes, dated October 13, 2010 (Item 5.12)

(iv)   Hamilton Mundialization Committee Minutes, dated November 17, 2010 (Item 5.13)

(v)   Lesbian, Gay, Bisexual, Transgender and Queer Advisory Committee Minutes, dated October 21, 2010 (Item 5.14)

(vi)   Lesbian, Gay, Bisexual, Transgender and Queer Advisory Committee Minutes, dated December 9, 2010 (Item 5.15)

(vii)   Status of Women Committee Minutes, dated September 23, 2010 (Item 5.16)

(viii)   Status of Women Committee Minutes, dated October 28, 2010 (Item 5.17)

(f)   **DELEGATIONS (Item 6)**

(i)   **Keith Beck, KBConsulting, respecting a Proposal to Reduce the Fees Paid by the Municipality to the Fund Managers of the City's Reserves (Item 6.1)**

The Committee had called upon Mr. Beck; however, Mr. Beck was not in attendance.

The written submission, provided by Keith Beck, KBConsulting, respecting a Proposal to Reduce the Fees Paid by the Municipality to the Fund Managers of the City's Reserves, was received.

(g)   **Proposed Waterworks By-Law Amendments (FCS11007) (City Wide) (Item 8.1**)

The Chair advised that pursuant to, the City of Hamilton's Public Notice Policy By-law, 07-351, public notice respecting the proposed amendments to the Waterworks By-Law R84-026 was provided in all local newspapers on February 11, 2011.

(h)   **Audit Report 2010-08 - Human Resources - Recruitment and Selection (AUD11011) (City Wide) (Item 8.2)**

     (a)   That Item 8(c) (of Appendix E to Report 11-004), respecting the Investigation of Word Recognition Software that is compatible with PeopleSoft to assist in the applicant screening process, be tabled for a one year period in order for Human Resource staff to complete their assessment of the current PeopleSoft system, which has a module for an enhanced screening process.

     (b)   That, prior to any assessment of Word Recognition Software, staff be directed to investigate the costs associated with an assessment of that software, and report to the Audit, Finance & Administration Committee within one year.

Councillor Clark wished to be recorded as OPPOSED to tabling Item 8(c) of Appendix E to Report 11-004, respecting Word Recognition Software.

(i)   **PRIVATE AND CONFIDENTIAL (Item 12)**

     (i)   **Closed Session Minutes – January 19, 2011 (Item 12.1)**

The Closed Session Minutes of the January 19, 2011 meeting of the Audit, Finance & Administration Committee were approved, as presented.

The January 19, 2011 Minutes of the Audit, Finance & Administration Committee, will remain confidential and restricted from public disclosure, in accordance with exemptions provided in the <u>Municipal Freedom of Information and Protection of Privacy Act</u>."

(j)   **AJOURNMENT (Item 13)**

There being no further business, the Audit, Finance & Administration Committee adjourned at 10:16 a.m.

                Respectfully submitted,

                Councillor Brad Clark, Chair
                Audit, Finance and Administration Committee

Stephanie Paparella
Legislative Assistant
March 2, 2011

City of Hamilton
Corporate Services Department
Taxation Division
Section "357" Appeals of the Municipal Act, 2001

Appeal No.	Property Address	Roll Number	Explanation	YEAR	Amount
357-10-131	460 South Service Rd	003130238000000	Demolition of storage buildings 6 & 7	2010	(466.64)
357-10-235	5 Avalon Ave	003385044000000	Fire in 2009 extensive damage not fixed to date	2010	(198.02)
357-09-350	605 James St N	020111014500000	Tax Class Conversion leased expired now PILT property	2009	1,139.19
357-10-036	605 James St N	020111014500000	Tax Class Conversion leased expired now PILT property	2010	1,147.68
357-10-159	605 James St N	020111014500000	Tax Class Conversion leased expired now PILT property	2010	3,532.92
357-10-159	605 James St N	021145001200000	Tax Class Conversion leased expired now PILT property	2010	(3,532.92)
357-09-350	605 James St N	021145003050000	Tax Class Conversion leased expired now PILT property	2009	(1,139.19)
357-10-036	605 James St N	021145003050000	Tax Class Conversion leased expired now PILT property	2010	(1,147.68)
357-10-254	570 King St E	030211508200000	Tax Class Conversion property converted to a residential duplex	2010	(2,520.84)
357-10-090	17 Century St	030214077700000	Tax Class Conversion lower level converted to a residential unit	2010	(949.50)
357-10-198	345 Barton St E	030215062000000	Major Renovations extensive renovations making the building uninh	2010	(524.09)
357-10-158	118 Hillyard St	030224050800000	Fire to structure rear building demolished front shell to be demolish	2010	(3,206.96)
357-10-264	385 Burlington St E	031789001000000	Demolition of Federal Marine building # 15	2010	(17,367.82)
357-09-396	246 Balmoral Ave N	040284548800000	Tax Class Conversion denied this is a vacant store front no conver	2009	-
357-10-046	177 Huxley Ave S	040306025300000	Fire March 24th renovations still not completed	2010	(652.11)
357-10-148	120 Province St S	040311561900000	Demolition of house now vacant lot	2010	(1,754.32)
357-10-015	247 Berkindale Ave	050472007200000	Major Renovations due to basement flooding	2010	(70.46)
357-10.247	247 Centennial Pkwy N	050481053300000	Exempt Unit 8 now a capital facility	2010	(666.64)
357-10-248	30 Benemar Ct	070681018090000	Gross or Manifest Error in ground pool removed in 05 still on the ro	2010	(68.15)
357-10-215	922 West 5th St	080971058100000	Fire in 2009 extensive damage not fixed to date	2010	(455.49)
357-10-106	1144 Wilson St West	140220372000000	Demolition of structures	2010	(13,951.64)
357-10-263	0 Dundas St E	303330448000000	Exempt part of Clappison Corners	2010	(7,277.11)
357-10-080	976 Garden Lane	303610528000000	Major Renovations on original structure	2010	(618.04)
			Total		**(50,747.83)**

City of Hamilton
Corporate Services Department
Taxation Division
Section "358" Appeals of the Municipal Act, 2001
Realty Tax Applications for overcharges

B- overcharge (Assessment Roll)
B1 -overcharged-application denied
E - Exempt

Appeal No.	Property Address	Roll Number	Reason	Explanation	Year	Amount
358-10-108	570 King St E	030211508200000	B	Gross or manifest error now a residential duplex	2009	(1,453.07)
358-10-108	1080 King St E	030263508800000	B	Exempt the Good Sheppard	2007	(3,494.77)
358-10-103	1080 King St E	030263508800000	B	Exempt the Good Sheppard	2008	(3,604.53)
358-10-111	385 Burlington St E	031789001000000	B	Gross or manifest error Fed Marine Bld 15 demolished stil	2008	(20,853.09)
358-10-112	385 Burlington St E	031789001000000	B	Gross or manifest error Fed Marine Bld 15 demolished stil	2009	(16,682.17)
358-10-104	30 Benemar Ct	070681018090000	B	Gross or manifest error in ground pool removed five years	2009	(73.77)
358-10-105	30 Benemar Ct	070681018090000	B	Gross or manifest error in ground pool removed five years	2008	(65.82)
358-10-057	1144 Wilson St W	140220372000000	B	Demolished building still reflected on the roll	2009	(12,925.64)
				Total		(59,152.86)

APPORTIONMENT OF TAXES

That the original land taxes/tax payments recorded against:

(a) **Roll #2518 260 210 16000 0000** – (4-20 Carriage Lane, Dundas) in the amount of $5,080.35 for the year 2010 be split amongst the five newly created lots listed below:

YEAR	ADDRESS	ROLL NUMBER	APPORTIONED ASSESSMENT	TAX AMOUNT
2010	20 Carriage Lane	2518 260 210 16001 0000	216,220	$2,972.87
2010	16 Carriage Lane	2518 260 210 16002 0000	38,320	526.87
2010	12 Carriage Lane	2518 260 210 16003 0000	38,320	526.87
2010	8 Carriage Lane	2518 260 210 16004 0000	38,320	526.87
2010	4 Carriage Lane	2518 260 210 16005 0000	38,320	526.87
		Total	**369,500**	**$ 5,080.35**

(b) **Roll #2518 260 210 16000 0000** – (4-20 Carriage Lane, Dundas) in the amount of ($2,497.08) for the year 2010 be split amongst the five newly created lots listed below:

YEAR	ADDRESS	ROLL NUMBER	APPORTIONED ASSESSMENT	PAYMENT AMOUNT
2010	20 Carriage Lane	2518 260 210 16001 0000	216,220	($1,451.18)
2010	16 Carriage Lane	2518 260 210 16002 0000	38,320	(306.18)
2010	12 Carriage Lane	2518 260 210 16003 0000	38,320	(296.38)
2010	8 Carriage Lane	2518 260 210 16004 0000	38,320	(222.89)
2010	4 Carriage Lane	2518 260 210 16005 0000	38,320	(220.45)
		Total	**369,500**	**($2,497.08)**

(c) **Roll #2518 901 340 40000 0000** – (2490 Highway 56, Glanbrook) in the amount of $18,365.89 for the year 2010 be split amongst the seventy-four newly created lots listed below:

YEAR	ADDRESS	ROLL NUMBER	APPORTIONED ASSESSMENT	AMOUNT
2010	3 Garinger Cres.	2518 901 340 04001 0000	9,901	$ 108.11
2010	7 Garinger Cres.	2518 901 340 04002 0000	6,533	71.33
2010	11 Garinger Cres.	2518 901 340 04003 0000	5,915	64.58

YEAR	ADDRESS	ROLL NUMBER	APPORTIONED ASSESSMENT	AMOUNT
2010	15 Garinger Cres.	2518 901 340 04004 0000	5,527	60.35
2010	19 Garinger Cres.	2518 901 340 04005 0000	5,527	60.35
2010	23 Garinger Cres.	2518 901 340 04006 0000	5,527	60.35
2010	27 Garinger Cres.	2518 901 340 04007 0000	5,527	60.35
2010	31 Garinger Cres.	2518 901 340 04008 0000	5,527	60.35
2010	35 Garinger Cres.	2518 901 340 04009 0000	6,774	73.96
2010	39 Garinger Cres.	2518 901 340 04010 0000	34,571	377.47
2010	43 Garinger Cres.	2518 901 340 04011 0000	11,495	125.51
2010	47 Garinger Cres.	2518 901 340 04012 0000	7,585	82.82
2010	51 Garinger Cres.	2518 901 340 04013 0000	5,711	62.36
2010	55 Garinger Cres.	2518 901 340 04014 0000	5,558	60.69
2010	59 Garinger Cres.	2518 901 340 04015 0000	5,575	60.87
2010	63 Garinger Cres.	2518 901 340 04016 0000	5,590	61.04
2010	67 Garinger Cres.	2518 901 340 04017 0000	5,606	61.21
2010	71 Garinger Cres.	2518 901 340 04018 0000	5,621	61.37
2010	75 Garinger Cres.	2518 901 340 04019 0000	5,637	61.55
2010	79 Garinger Cres.	2518 901 340 04020 0000	5,652	61.71
2010	83 Garinger Cres.	2518 901 340 04021 0000	5,661	61.81
2010	87 Garinger Cres.	2518 901 340 04022 0000	5,654	61.73
2010	91 Garinger Cres.	2518 901 340 04023 0000	5,645	61.64
2010	95 Garinger Cres.	2518 901 340 04024 0000	5,636	61.54
2010	99 Garinger Cres.	2518 901 340 04025 0000	5,628	61.45
2010	103 Garinger Cres.	2518 901 340 04026 0000	5,619	61.35
2010	107 Garinger Cres.	2518 901 340 04027 0000	5,609	61.24
2010	111 Garinger Cres.	2518 901 340 04028 0000	5,602	61.17
2010	115 Garinger Cres.	2518 901 340 04029 0000	5,593	61.07
2010	119 Garinger Cres.	2518 901 340 04030 0000	5,593	61.07
2010	123 Garinger Cres.	2518 901 340 04031 0000	5,577	60.89
2010	127 Garinger Cres.	2518 901 340 04032 0000	5,567	60.78

YEAR	ADDRESS	ROLL NUMBER	APPORTIONED ASSESSMENT	AMOUNT
2010	131 Garinger Cres.	2518 901 340 04033 0000	7,470	81.56
2010	135 Garinger Cres.	2518 901 340 04034 0000	5,800	63.33
2010	139 Garinger Cres.	2518 901 340 04035 0000	13,071	142.72
2010	143 Garinger Cres.	2518 901 340 04036 0000	8,557	93.43
2010	147 Garinger Cres.	2518 901 340 04037 0000	6,182	67.50
2010	151 Garinger Cres.	2518 901 340 04038 0000	6,079	66.37
2010	155 Garinger Cres.	2518 901 340 04039 0000	6,079	66.37
2010	159 Garinger Cres.	2518 901 340 04040 0000	6,079	66.37
2010	163 Garinger Cres.	2518 901 340 04041 0000	8,220	89.75
2010	164 Garinger Cres.	2518 901 340 04042 0000	7,535	82.27
2010	160 Garinger Cres.	2518 901 340 04043 0000	6,026	65.80
2010	156 Garinger Cres.	2518 901 340 04044 0000	6,026	65.80
2010	152 Garinger Cres.	2518 901 340 04045 0000	6,026	65.80
2010	148 Garinger Cres.	2518 901 340 04046 0000	7,496	81.85
2010	116 Garinger Cres.	2518 901 340 04047 0000	5,911	64.54
2010	112 Garinger Cres.	2518 901 340 04048 0000	5,757	62.86
2010	108 Garinger Cres.	2518 901 340 04049 0000	5,757	62.86
2010	104 Garinger Cres.	2518 901 340 04050 0000	5,757	62.86
2010	100 Garinger Cres.	2518 901 340 04051 0000	5,757	62.86
2010	96 Garinger Cres.	2518 901 340 04052 0000	5,757	62.86
2010	92 Garinger Cres.	2518 901 340 04053 0000	5,757	62.86
2010	88 Garinger Cres.	2518 901 340 04054 0000	5,757	62.86
2010	84 Garinger Cres.	2518 901 340 04055 0000	5,757	62.86
2010	80 Garinger Cres.	2518 901 340 04056 0000	5,757	62.86
2010	76 Garinger Cres.	2518 901 340 04057 0000	5,757	62.86
2010	72 Garinger Cres.	2518 901 340 04058 0000	5,757	62.86
2010	68 Garinger Cres.	2518 901 340 04059 0000	5,757	62.86
2010	64 Garinger Cres.	2518 901 340 04060 0000	5,757	62.86
2010	60 Garinger Cres.	2518 901 340 04061 0000	5,896	64.38

YEAR	ADDRESS	ROLL NUMBER	APPORTIONED ASSESSMENT	AMOUNT
2010	32 Garinger Cres.	2518 901 340 04062 0000	7,808	85.25
2010	28 Garinger Cres.	2518 901 340 04063 0000	5,665	61.85
2010	24 Garinger Cres.	2518 901 340 04064 0000	5,527	60.35
2010	20 Garinger Cres.	2518 901 340 04065 0000	5,527	60.35
2010	16 Garinger Cres.	2518 901 340 04066 0000	5,527	60.35
2010	12 Garinger Cres.	2518 901 340 04067 0000	6,072	66.30
2010	6 Garinger Cres.	2518 901 340 04068 0000	8,529	93.13
2010	40-100 Fall Fair Way	2518 901 340 04070 0000	137,300	1,499.14
2010	10 Fall Fair Way	2518 901 340 04090 0000	42,418	463.15
2010	4 Fall Fair Way	2518 901 340 04101 0000	1,390	15.18
2010	2490 Regional Rd. 56	2518 901 340 04105 0000	20,515	224.00
2010	33 Fall Fair Way	2518 901 340 04155 0000	1,020,744	11,145.19
2010	2450 Regional Rd. 56	2518 901 340 04160 0000	4,997	54.56
		Total	**1,682,056**	**$18,365.89**

(d) **Roll #2518 003 130 23400 0000** – (WSCP 404, Stoney Creek) in the amount of $9,761.99 for the year 2009 be split amongst the fifty-eight units listed below:

YEAR	ADDRESS	ROLL NUMBER	APPORTIONED ASSESSMENT	AMOUNT
2010	442 Millen Rd., Unit 110	2518 003 130 23438 0000	27,300	$1,078.41
2010	442 Millen Rd., Unit 111	2518 003 130 23439 0000	27,300	1,078.41
2010	442 Millen Rd., Unit 112	2518 003 130 23440 0000	27,300	1,078.41
2010	442 Millen Rd., Unit 113	2518 003 130 23441 0000	27,300	1,078.41
2010	442 Millen Rd., Unit 114	2518 003 130 23442 0000	27,300	1,078.41
2010	442 Millen Rd., Unit 115	2518 003 130 23443 0000	27,300	1,078.41
2010	442 Millen Rd., Unit 116	2518 003 130 23444 0000	27,300	1,078.41
2010	442 Millen Rd., Unit 117	2518 003 130 23445 0000	27,300	806.62 *
2010	442 Millen Rd., Unit 118	2518 003 130 23446 0000	712	28.13
2010	442 Millen Rd., Unit 119	2518 003 130 23447 0000	712	28.13
2010	442 Millen Rd., Unit 120	2518 003 130 23448 0000	712	28.13

YEAR	ADDRESS	ROLL NUMBER	APPORTIONED ASSESSMENT	AMOUNT
2010	442 Millen Rd., Unit 121	2518 003 130 23449 0000	712	28.13
2010	442 Millen Rd., Unit 122	2518 003 130 23450 0000	712	28.13
2010	442 Millen Rd., Unit 123	2518 003 130 23451 0000	712	28.13
2010	442 Millen Rd., Unit 124	2518 003 130 23452 0000	712	28.13
2010	442 Millen Rd., Unit 125	2518 003 130 23453 0000	712	28.13
2010	442 Millen Rd., Unit 126	2518 003 130 23454 0000	712	28.13
2010	442 Millen Rd., Unit 127	2518 003 130 23455 0000	712	28.13
2010	442 Millen Rd., Unit 128	2518 003 130 23456 0000	712	28.13
2010	442 Millen Rd., Unit 129	2518 003 130 23457 0000	712	28.13
2010	442 Millen Rd., Unit 130	2518 003 130 23458 0000	712	28.13
2010	442 Millen Rd., Unit 131	2518 003 130 23459 0000	712	28.13
2010	442 Millen Rd., Unit 132	2518 003 130 23460 0000	712	28.13
2010	442 Millen Rd., Unit 133	2518 003 130 23461 0000	712	28.13
2010	442 Millen Rd., Unit 134	2518 003 130 23462 0000	712	28.13
2010	442 Millen Rd., Unit 135	2518 003 130 23463 0000	712	28.13
2010	442 Millen Rd., Unit 136	2518 003 130 23464 0000	712	28.13
2010	442 Millen Rd., Unit 137	2518 003 130 23465 0000	712	28.13
2010	442 Millen Rd., Unit 138	2518 003 130 23466 0000	712	28.13
2010	442 Millen Rd., Unit 139	2518 003 130 23467 0000	712	28.13
2010	442 Millen Rd., Unit 140	2518 003 130 23468 0000	712	28.13
2010	442 Millen Rd., Unit 141	2518 003 130 23469 0000	712	28.13
2010	442 Millen Rd., Unit 142	2518 003 130 23470 0000	712	28.13
2010	442 Millen Rd., Unit 143	2518 003 130 23471 0000	712	28.13
2010	442 Millen Rd., Unit 144	2518 003 130 23472 0000	712	28.13
2010	442 Millen Rd., Unit 145	2518 003 130 23473 0000	712	28.13
2010	442 Millen Rd., Unit 146	2518 003 130 23474 0000	712	28.13
2010	442 Millen Rd., Unit 147	2518 003 130 23475 0000	712	28.13
2010	442 Millen Rd., Unit 148	2518 003 130 23476 0000	712	28.13
2010	442 Millen Rd., Unit 149	2518 003 130 23477 0000	712	28.13

YEAR	ADDRESS	ROLL NUMBER	APPORTIONED ASSESSMENT	AMOUNT
2010	442 Millen Rd., Unit 150	2518 003 130 23478 0000	712	28.13
2010	442 Millen Rd., Unit 151	2518 003 130 23479 0000	712	28.13
2010	442 Millen Rd., Unit 152	2518 003 130 23480 0000	712	28.13
2010	442 Millen Rd., Unit 153	2518 003 130 23481 0000	712	28.13
2010	442 Millen Rd., Unit 154	2518 003 130 23482 0000	712	28.13
2010	442 Millen Rd., Unit 155	2518 003 130 23483 0000	712	28.13
2010	442 Millen Rd., Unit 156	2518 003 130 23484 0000	712	28.13
2010	442 Millen Rd., Unit 157	2518 003 130 23485 0000	712	28.13
2010	442 Millen Rd., Unit 158	2518 003 130 23486 0000	712	28.13
2010	442 Millen Rd., Unit 159	2518 003 130 23487 0000	712	28.13
2010	442 Millen Rd., Unit 160	2518 003 130 23488 0000	712	28.13
2010	442 Millen Rd., Unit 161	2518 003 130 23489 0000	712	28.13
2010	442 Millen Rd., Unit 162	2518 003 130 23490 0000	712	28.13
2010	442 Millen Rd., Unit 163	2518 003 130 23491 0000	712	28.13
2010	442 Millen Rd., Unit 164	2518 003 130 23492 0000	712	28.13
2010	442 Millen Rd., Unit 165	2518 003 130 23493 0000	712	28.13
2010	442 Millen Rd., Unit 166	2518 003 130 23494 0000	712	28.13
2010	442 Millen Rd., Unit 167	2518 003 130 23495 0000	712	28.13
		Total	**254,000**	**$9,761.99**

* Reflects tax class change adjustment for the period of October 1, 2009 – December 31, 2009 inclusive.

(e) **Roll #2518 003 850 00200 0000** – (65 Highbury Dr., Stoney Creek) in the amount of $38,802.25 for the year 2010 be split amongst the sixty-five newly created lots listed below:

YEAR	ADDRESS	ROLL NUMBER	APPORTIONED ASSESSMENT	AMOUNT
2010	47 Highbury Dr.	2518 003 850 00201 0000	18,259	$ 247.72
2010	47 ½ Highbury Dr.	2518 003 850 00202 0000	18,258	247.71
2010	49 Highbury Dr.	2518 003 850 00203 0000	18,258	247.71
2010	49 ½ Highbury Dr.	2518 003 850 00204 0000	18,258	247.71
2010	51 Highbury Dr.	2518 003 850 00205 0000	18,258	247.71

YEAR	ADDRESS	ROLL NUMBER	APPORTIONED ASSESSMENT	AMOUNT
2010	53 Highbury Dr.	2518 003 850 00206 0000	18,258	247.71
2010	55 Highbury Dr.	2518 003 850 00207 0000	18,258	247.71
2010	57 Highbury Dr.	2518 003 850 00208 0000	18,258	247.71
2010	59 Highbury Dr.	2518 003 850 00209 0000	18,258	247.71
2010	61 Highbury Dr.	2518 003 850 00210 0000	18,258	247.71
2010	63 Highbury Dr.	2518 003 850 00211 0000	18,258	247.71
2010	65 Highbury Dr.	2518 003 850 00212 0000	36,113	489.95
2010	67 Highbury Dr.	2518 003 850 00213 0000	24,075	326.63
2010	69 Highbury Dr.	2518 003 850 00214 0000	23,526	319.18
2010	71 Highbury Dr.	2518 003 850 00215 0000	24,542	332.97
2010	73 Highbury Dr.	2518 003 850 00216 0000	27,238	369.54
2010	75 Highbury Dr.	2518 003 850 00217 0000	31,928	433.17
2010	77 Highbury Dr.	2518 003 850 00218 0000	37,077	503.03
2010	79 Highbury Dr.	2518 003 850 00219 0000	53,295	723.07
2010	17 Springwood Dr.	2518 003 850 00220 0000	22,747	308.61
2010	21 Springwood Dr.	2518 003 850 00221 0000	25,562	346.81
2010	25 Springwood Dr.	2518 003 850 00222 0000	27,983	379.65
2010	29 Springwood Dr.	2518 003 850 00223 0000	30,012	407.18
2010	33 Springwood Dr.	2518 003 850 00224 0000	27,979	379.60
2010	37 Springwood Dr.	2518 003 850 00225 0000	24,712	335.27
2010	41 Springwood Dr.	2518 003 850 00226 0000	21,440	290.88
2010	45 Springwood Dr.	2518 003 850 00227 0000	19,805	268.70
2010	49 Springwood Dr.	2518 003 850 00228 0000	19,805	268.70
2010	53 Springwood Dr.	2518 003 850 00229 0000	19,805	268.70
2010	57 Springwood Dr.	2518 003 850 00230 0000	19,805	268.70
2010	61 Springwood Dr.	2518 003 850 00231 0000	19,805	268.70
2010	65 Springwood Dr.	2518 003 850 00232 0000	19,805	268.70
2010	69 Springwood Dr.	2518 003 850 00233 0000	23,050	312.72
2010	20 Candlewood Court	2518 003 850 00234 0000	25,946	352.02

YEAR	ADDRESS	ROLL NUMBER	APPORTIONED ASSESSMENT	AMOUNT
2010	18 Candlewood Court	2518 003 850 00235 0000	26,973	365.95
2010	16 Candlewood Court	2518 003 850 00236 0000	26,592	360.78
2010	12 Candlewood Court	2518 003 850 00237 0000	22,548	305.91
2010	10 Candlewood Court	2518 003 850 00238 0000	33,397	453.10
2010	8 Candlewood Court	2518 003 850 00239 0000	52,848	717.00
2010	4 Candlewood Court	2518 003 850 00240 0000	58,636	795.53
2010	3 Candlewood Court	2518 003 850 00241 0000	31,522	427.67
2010	7 Candlewood Court	2518 003 850 00242 0000	32,642	442.86
2010	9 Candlewood Court	2518 003 850 00243 0000	30,029	407.41
2010	11 Candlewood Court	2518 003 850 00244 0000	20,983	284.68
2010	15 Candlewood Court	2518 003 850 00245 0000	23,028	312.43
2010	17 Candlewood Court	2518 003 850 00246 0000	22,215	301.40
2010	19 Candlewood Court	2518 003 850 00247 0000	25,125	340.88
2010	21 Candlewood Court	2518 003 850 00248 0000	30,468	413.37
2010	23 Candlewood Court	2518 003 850 00249 0000	42,936	582.52
2010	64 Springwood Dr.	2518 003 850 00250 0000	26,453	358.89
2010	60 Springwood Dr.	2518 003 850 00251 0000	22,084	299.62
2010	56 Springwood Dr.	2518 003 850 00252 0000	22,106	299.92
2010	52 Springwood Dr.	2518 003 850 00253 0000	22,120	300.11
2010	48 Springwood Dr.	2518 003 850 00254 0000	22,106	299.92
2010	44 Springwood Dr.	2518 003 850 00255 0000	22,084	299.62
2010	40 Springwood Dr.	2518 003 850 00256 0000	22,069	299.41
2010	36 Springwood Dr.	2518 003 850 00257 0000	22,047	299.12
2010	32 Springwood Dr.	2518 003 850 00258 0000	22,025	298.82
2010	28 Springwood Dr.	2518 003 850 00259 0000	22,011	298.63
2010	24 Springwood Dr.	2518 003 850 00260 0000	22,023	298.79
2010	20 Springwood Dr.	2518 003 850 00261 0000	26,174	355.11
2010	27-67 Candlewood Crt.	2518 003 850 00270 0000	228,405	3,098.82
2010	75-111 Highgate Dr.	2518 003 850 00290 0000	195,991	2,659.05

YEAR	ADDRESS	ROLL NUMBER	APPORTIONED ASSESSMENT	AMOUNT
2010	82-120 Highgate Dr.	2518 003 850 00310 0000	197,801	2,683.61
2010	70 Highgate Dr.	2518 003 850 00330 0000	677,665	9,194.02
		Total	**2,860,000**	**$38,802.25**

(f) **Roll #2518 003 850 00200 0000** – (65 Highbury Dr., Stoney Creek) in the amount of ($28,834.26) for the year 2010 be split amongst the sixty-five newly created lots listed below:

YEAR	ADDRESS	ROLL NUMBER	APPORTIONED ASSESSMENT	PAYMENT AMOUNT
2010	47 Highbury Dr.	2518 003 850 00201 0000	18,259	($ 182.60)
2010	47 ½ Highbury Dr.	2518 003 850 00202 0000	18,258	(182.59)
2010	49 Highbury Dr.	2518 003 850 00203 0000	18,258	(228.03)
2010	49 ½ Highbury Dr.	2518 003 850 00204 0000	18,258	(198.17)
2010	51 Highbury Dr.	2518 003 850 00205 0000	18,258	(182.59)
2010	53 Highbury Dr.	2518 003 850 00206 0000	18,258	(182.59)
2010	55 Highbury Dr.	2518 003 850 00207 0000	18,258	(209.03)
2010	57 Highbury Dr.	2518 003 850 00208 0000	18,258	(199.53)
2010	59 Highbury Dr.	2518 003 850 00209 0000	18,258	(194.77)
2010	61 Highbury Dr.	2518 003 850 00210 0000	18,258	(223.28)
2010	63 Highbury Dr.	2518 003 850 00211 0000	18,258	(182.59)
2010	65 Highbury Dr.	2518 003 850 00212 0000	36,113	(361.15)
2010	67 Highbury Dr.	2518 003 850 00213 0000	24,075	(240.76)
2010	69 Highbury Dr.	2518 003 850 00214 0000	23,526	(235.27)
2010	71 Highbury Dr.	2518 003 850 00215 0000	24,542	(274.59)
2010	73 Highbury Dr.	2518 003 850 00216 0000	27,238	(318.92)
2010	75 Highbury Dr.	2518 003 850 00217 0000	31,928	(319.29)
2010	77 Highbury Dr.	2518 003 850 00218 0000	37,077	(370.79)
2010	79 Highbury Dr.	2518 003 850 00219 0000	53,295	(532.97)
2010	17 Springwood Dr.	2518 003 850 00220 0000	22,747	(227.48)
2010	21 Springwood Dr.	2518 003 850 00221 0000	25,562	(255.63)

YEAR	ADDRESS	ROLL NUMBER	APPORTIONED ASSESSMENT	PAYMENT AMOUNT
2010	25 Springwood Dr.	2518 003 850 00222 0000	27,983	(279.84)
2010	29 Springwood Dr.	2518 003 850 00223 0000	30,012	(300.13)
2010	33 Springwood Dr.	2518 003 850 00224 0000	27,979	(279.80)
2010	37 Springwood Dr.	2518 003 850 00225 0000	24,712	(247.13)
2010	41 Springwood Dr.	2518 003 850 00226 0000	21,440	(214.41)
2010	45 Springwood Dr.	2518 003 850 00227 0000	19,805	(198.06)
2010	49 Springwood Dr.	2518 003 850 00228 0000	19,805	(198.06)
2010	53 Springwood Dr.	2518 003 850 00229 0000	19,805	(198.06)
2010	57 Springwood Dr.	2518 003 850 00230 0000	19,805	(198.06)
2010	61 Springwood Dr.	2518 003 850 00231 0000	19,805	(198.06)
2010	65 Springwood Dr.	2518 003 850 00232 0000	19,805	(198.06)
2010	69 Springwood Dr.	2518 003 850 00233 0000	23,050	(230.51)
2010	20 Candlewood Court	2518 003 850 00234 0000	25,946	(259.47)
2010	18 Candlewood Court	2518 003 850 00235 0000	26,973	(269.74)
2010	16 Candlewood Court	2518 003 850 00236 0000	26,592	(265.93)
2010	12 Candlewood Court	2518 003 850 00237 0000	22,548	(225.49)
2010	10 Candlewood Court	2518 003 850 00238 0000	33,397	(333.99)
2010	8 Candlewood Court	2518 003 850 00239 0000	52,848	(528.50)
2010	4 Candlewood Court	2518 003 850 00240 0000	58,636	(586.39)
2010	3 Candlewood Court	2518 003 850 00241 0000	31,522	(315.23)
2010	7 Candlewood Court	2518 003 850 00242 0000	32,642	(326.44)
2010	9 Candlewood Court	2518 003 850 00243 0000	30,029	(300.30)
2010	11 Candlewood Court	2518 003 850 00244 0000	20,983	(209.84)
2010	15 Candlewood Court	2518 003 850 00245 0000	23,028	(230.29)
2010	17 Candlewood Court	2518 003 850 00246 0000	22,215	(222.16)
2010	19 Candlewood Court	2518 003 850 00247 0000	25,125	(251.26)
2010	21 Candlewood Court	2518 003 850 00248 0000	30,468	(304.69)
2010	23 Candlewood Court	2518 003 850 00249 0000	42,936	(429.38)
2010	64 Springwood Dr.	2518 003 850 00250 0000	26,453	(264.54)

YEAR	ADDRESS	ROLL NUMBER	APPORTIONED ASSESSMENT	PAYMENT AMOUNT
2010	60 Springwood Dr.	2518 003 850 00251 0000	22,084	(220.85)
2010	56 Springwood Dr.	2518 003 850 00252 0000	22,106	(221.07)
2010	52 Springwood Dr.	2518 003 850 00253 0000	22,120	(221.21)
2010	48 Springwood Dr.	2518 003 850 00254 0000	22,106	(221.07)
2010	44 Springwood Dr.	2518 003 850 00255 0000	22,084	(220.85)
2010	40 Springwood Dr.	2518 003 850 00256 0000	22,069	(220.70)
2010	36 Springwood Dr.	2518 003 850 00257 0000	22,047	(220.48)
2010	32 Springwood Dr.	2518 003 850 00258 0000	22,025	(220.26)
2010	28 Springwood Dr.	2518 003 850 00259 0000	22,011	(220.12)
2010	24 Springwood Dr.	2518 003 850 00260 0000	22,023	(220.24)
2010	20 Springwood Dr.	2518 003 850 00261 0000	26,174	(261.75)
2010	27-67 Candlewood Crt.	2518 003 850 00270 0000	228,405	(2,284.16)
2010	75-111 Highgate Dr.	2518 003 850 00290 0000	195,991	(1,960.00)
2010	82-120 Highgate Dr.	2518 003 850 00310 0000	197,801	(1,978.10)
2010	70 Highgate Dr.	2518 003 850 00330 0000	677,665	(6,776.96)
		Total	**2,860,000**	**($28,834.26)**

Proposed Waterworks By-Law Amendments

The final wording to be contained in the amending by-laws will reflect the concepts described in this Appendix A to report FCS11007 for each proposed amendment.

Meter Equipment Alteration - Non-Residential Customers	
Current By-law	Where meter bypass has been opened and/or broken without the prior permission of the City, billing is 2 times historical average daily consumption for the account or if unavailable, average daily consumption of similar customers
Proposed Amendments	**Where meter bypass has been opened and/or broken without the prior permission of the City:** **a) billing up to 3 times historical average daily consumption for the account or if unavailable, average daily consumption of similar customers** **b) the customer may be required to install metering equipment on the bypass valve**
Meter Equipment Alteration – Residential Customers	
Current By-law	By-law is silent with respect to meter equipment with an unauthorized bypass valve
Proposed Amendments	**Where existing water metering and/or house piping facilities have been altered to allow for non-metered water to be drawn without the prior permission of the City:** **a) billing up to 3 times historical average daily consumption for the account or if unavailable, average daily consumption of similar customers** **b) water metering equipment and/or house piping must be restored to original condition subject to City inspection, failing this; property's billing to be invoiced at two times the non-metered (flat) rate. The property owner would be responsible for any permits and related inspections that may be required, at the owner's expense. Where the water meter has been damaged, owner will be required to pay replacement meter fee.**
Non-Metered Properties - Non Residential Customers	
Current By-law	All properties connected to the City's waterworks system are to install a water meter and remote reading device, failing this; property's billing to be invoiced at two times the non-metered (flat) rate equating to $2m^3$/day
Proposed Amendments	**Failure to install a water meter and remote device may result in future monthly billings for the property to be based up to 2 times the historical average daily consumption of similar customers.**

Non-Metered Properties - Residential Customers	
Current By-law	All properties connected to the City's waterworks system are to install a water meter and remote reading device, failing this without City approval, property's billing to be invoiced at two times the non-metered (flat) rate equating to 2m^3/day
Proposed Amendments	**Failure to install a water meter and remote reading device may result in the property's billing to be invoiced at up to three times the non-metered (flat) rate equating to 3m^3/day, unless the City agrees that a water meter cannot be installed.**
Vacant Properties with active water service – All Customers	
Current By-law	Whenever any premises having a water service becomes vacant, the owner is required within twenty-four (24) hours of vacancy to notify the City in writing, to shut off the water at the street line, and shall pay a fee for this service.
Proposed Amendments	**Where a property owner fails to notify the City in writing to shut off the water at the street line within 24 hours of vacancy, the City, once aware of vacancy and upon at least 24 hours of notification, may shut off the water at the street line and impose the fee for this service. The notification would indicate that the City would not be liable for any damages to any equipment, such as boilers, resulting from the City disconnecting the water service.**
Vacant Properties with inactive water service – All Customers	
Current By-law	By-law is silent with respect to vacant properties with water shut off at the street line with the service line connection to the main still intact.
Proposed Amendments	**Where a property has the water shut off at the street line with the service line connection to the main still intact, the property shall be billed only for the Minimum Charge which is a fixed monthly charge based on the meter size, that metered water customers are charged.** **Include a definition of "vacant" in the By-law.**
Order, powers of entry and enforcement powers under the *Municipal Act, 2001*	
Current By-law	All of the current powers are not included in the By-law.
Proposed Amendments	**All of the current order, powers of entry and enforcement powers under the *Municipal Act, 2001*, including offence provisions for contravening an order, which are applicable to the By-law are to be included in the By-law.**

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-08
HUMAN RESOURCES - RECRUITMENT AND SELECTION

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
1.	<u>Strategic and Operational Plans</u> a) It is difficult to assess whether Employment Services is on track to achieve its strategic and operational goals. Although 20% of stated activities were indicated as achieved in the 2009 calendar year, progression on the remaining activities cannot be assessed due to: • No action plans with stated milestones; • No performance measures; • Priority placed on ad hoc requests; and • Addition of more activities each year. In several instances, there was no direct relationship evident as to how carrying out the particular activity would accomplish the goal. As a result, there is little evidence to show that the initiatives undertaken by Employment Services would achieve the desired end results outlined in Council's Corporate Strategic Plan or support Council's vision of creating a skilled, adaptive and diverse workforce.	That Employment Services streamline its strategic and operational goals to ensure activities address specific goals. Management should also prioritize activities and create realistically achievable action plans outlining responsibility for accomplishing more specific tasks, related timelines, performance measures and required resources.	Agreed. Employment Services (ES) will streamline its 2011 strategic and operational plans to address specific goals with realistic action plans based on current staff complement. The strategic plan activities reviewed by Audit Services were developed with anticipated additional resources and were too ambitious given the high demand for transactional activities.

HUMAN RESOURCES – RECRUITMENT AND SELECTION
NOVEMBER 2010

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
1.	<u>Strategic and Operational Plans (Cont'd)</u> b) Employment Services' strategic and operational plans do not contain: • A mission statement to clearly describe its overall purpose in the organization; • Measures to assess daily performance and identify improvement opportunities, guide future strategies and justify additional resources; and • Workforce planning initiatives to address the imminent baby boomer exodus and related labor shortages, aging workforce and possible outsourcing options. It appears that the division lacks both human and technological resources to dedicate toward accomplishing strategic activities as opposed to daily recruitment tasks. Not addressing these issues contributes to the risk of not having adequate human resources and skills in supply to provide high quality services.	That Employment Services incorporate the items identified into their strategic and operational plans.	Agreed. A purpose/mission statement has been developed. With the Human Resources (HR) technology strategy to be implemented over the next 5 years (subject to Council approval), the following improvements are expected: • Ability to measure daily performance through automation as opposed to manual calculations; • Recruitment optimization which includes additional templates, screening tools, applicant notifications (e.g. emails) and other enhancements to streamline the applicant and recruiter/HR process; • Centralized repository for all employee skills, competencies, education and other pertinent information; and • Implementation of manager tools to enable electronic forms and approvals and enhanced on-line screening. Until the section is resourced appropriately (staff and technology) to more effectively manage the activity volumes, it is a challenge to address the workforce planning required to achieve the objectives of the strategic plan.

HUMAN RESOURCES – RECRUITMENT AND SELECTION
NOVEMBER 2010

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
2.	Policies and Procedures Employment Services' policies and procedures are outdated. Of the fifteen (15) documents, almost 50% were approved before amalgamation and not updated since. In ten (10) instances, recruitment and selection processes were not consistent with current practices and there were seven (7) instances where the policies had not been updated to reflect Human Resources' reorganization or Council's Corporate Strategic Plan. In multiple cases, guidelines or forms referred to in the documentation could not be located. No mandate exists as to when or how often policies and procedures are to be reviewed. Written policies and procedures and related forms are not available to describe: • The recruitment and selection process; • The use of temporary agency placements and external agencies to post job advertisements; • Acting position appointments; • Negotiation of offer terms and required approvals; and • Information communicated as part of a verbal offer. It is difficult for the recruitment and selection process to be consistent, accountable, fair and equitable without documented standards. There is also a risk that hiring managers may make incorrect hiring decisions if outdated documented policies and procedures are followed, leading to an increased risk of grievances and negative perception of employment opportunities at the City.	That Employment Services review and update published policies and procedures. New policies should be created to address the areas identified in the observations. Care should be taken to build flexibility into the standards to make the recruitment process more appealing to job seekers.	Agreed. The Manager of Employment Services will work with the HR Policy and Planning Specialist to develop policies and procedures that address the areas identified by year end 2012. This timeline is based on competing priorities of the Specialist who is a key support to the successful delivery of this objective. The list of employment polices and procedures will be integrated with the overall policy work plan.

HUMAN RESOURCES – RECRUITMENT AND SELECTION
NOVEMBER 2010

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
3.	Performance Measures a) The recruitment and selection process is too lengthy. Based on ten (10) job openings selected at random, the average time to hire is 138 days or 4.5 months. In the analysis carried out, it appears that the majority of process delays occurred in the department test and interview stages, obtaining an approved Personnel Change Notification Form (PCN) and preparing the Offer Letter. It is difficult for the City to secure skilled employees to provide high quality services if qualified candidates experience long wait periods after applying, giving them the opportunity to entertain other offers.	That Employment Services analyze why department delays occur and anticipate the effect of such delays by providing appropriate advice or support to departments early in the recruitment and selection process.	Agreed. Many factors that contribute to delays in the recruitment process were previously identified in the 2007 recruitment cycle review done for Senior Management Team (SMT), the primary factor being that staffing does not have adequate resources to meet the demands. In addition, competing business priorities of the hiring manager, availability of management staff to be scheduled for interviews and changing business requirements were found to contribute to the delays. HR provides the tools and supports for a fair and equitable hiring process. However, the hiring manager must prioritize and expedite the testing, interviewing and selection of candidates to positively impact the time required to hire quality candidates. In Q1 2011, HR will bring this audit finding to the attention of SMT, determine where recruitment delays have adversely affected hiring outcomes and determine department expectations regarding time to fill positions.

HUMAN RESOURCES – RECRUITMENT AND SELECTION
NOVEMBER 2010

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
3.	Performance Measures (Cont'd) b) Time to hire for each job opening is calculated as the number of days between the posting date and the successful candidate's effective start date. The time period used to calculate this measure is not appropriate as: • Employment Services' duties commence when a Personnel Requisition Form (PRF) is received as opposed to when the job is posted; • The calculation is adjusted to reflect situations outside of Employment Services' control; and • This methodology is not consistent with the Human Resources Benchworking Network's calculation. Additionally, Employment Services does not have a targeted time to hire against which to measure and analyze its performance. Employment Services cannot embody Council's innovation value to improve the recruitment and selection process if its performance is not accurately measured or analyzed against a performance target. It is difficult to compare the City's performance to other municipalities and incorporate best practices if the measure is calculated on a different basis. Also, Employment Services may not be perceived as providing high quality services if an expectation gap forms between Employment Services' opinion on the level of customer service provided and that received by departments.	That Employment Services revise the time to hire calculation to be more in line with actual performance and benchmarking sources. That Employment Services set a target time to hire performance measure and implement processes to monitor and analyze performance against this measure with the goal of improving the overall recruitment and selection process.	Agreed. HR is committed to measuring performance and service levels in accordance with the standards established through the Human Resources Benchmarking Network (HRBN). HR will work with the municipal comparators to ensure that there is consistency in this performance measure. Agreed. Currently, due to technology limitations, data sources used to measure activities require considerable time due to manual intervention. A review of what and how HR measures and collects data was conducted as part of the HR technology strategy blueprint. HR will identify the relevant measures for ES, set performance standards for various departments and positions in Q2 2011 and start to measure service delivery against these standards in Q1 2012, within current technology capabilities.

HUMAN RESOURCES – RECRUITMENT AND SELECTION
NOVEMBER 2010

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
3.	Performance Measures (Cont'd) c) It takes an average of approximately three (3) months to collect documents from the department and close a call file. Although this may appear to be a non-value added task from a department's perspective, call files must contain adequate documentation to support the department's hiring decision in the case of grievances and other inquiries. Also, the time taken by Recruitment Coordinators to follow up on outstanding information could be focused on new job openings, which provides value to departments.	That Employee Services develop a more efficient and timely manner of collecting information from departments or assign a specific staff member with the duties of follow up on outstanding information.	Agreed, in principle. ES recognizes the need for process improvements to the recruitment cycle which will have a positive impact on the time to hire. However, HR should not divert any staff resources to increase monitoring and follow up of information/files as this will have an adverse impact on the time to fill measure.
	d) Fifty-five (55) grievances were identified by Labor Relations pertaining to recruitment and selection in 2009. There was no indication as to whether the root cause(s) of these grievances were investigated and the impact (if any) on the process. Process improvements and reduction in the number of collective bargaining agreement grievances cannot be achieved if analyses are not carried out.	That Employment Services work with Labour Relations to monitor the number of grievances pertaining to the recruitment and selection process, investigate causes and revise the process, as necessary, with an aim of reducing such grievances.	Agreed. Monitoring and analysis has been completed and will be ongoing through the new Labour Relations Management Information System. Labour relations officers have met with the department management teams to discuss their grievance activity and are working with the departments to address issues identified through the Labour Grievance Activity Report. These discussions will positively impact understanding and appreciation of the accountability managers have to adhere to the provisions of the collective agreements.

HUMAN RESOURCES – RECRUITMENT AND SELECTION
NOVEMBER 2010

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
4.	Inadequate Documentation Inadequate documentation exists in call files to support the hiring decision. A review of twenty (20) files, selected at random, produced numerous examples, the more pervasive ones being: • Inconsistencies between applicants screened in and those proceeding to the test or interview. No correspondence or support existed in the file for adding to or removing candidates from the screened-in pool; • Hiring managers not performing or documenting inquiries as to an internal candidate's performance before extending an offer; • Use of different qualifications as the basis for screening questions and screening criteria; • Screening sheets not documenting whether applicants met specific screening criteria or were screened in/out; • No passing threshold for testing or interview tools; and • Missing resumes, interviews and reference consent and check forms. Although call files are only retained for two (2) years, adequate documentation must exist to defend against grievances and provide timely information to unsuccessful applicants to thwart the negative perception of employment opportunities at the City.	That Employment Services determine what information is required in a call file to support the hiring decision. Staff should then be trained in this regard. The Table of Contents and Call File Checklist should be updated to reflect any revisions.	Agreed. ES will undertake a review of the information in the competition file based on what is manually collected and what will be available through our e-recruit PeopleSoft upgrade in Q3 2011 and will adjust accordingly with implementation completed Q4 2011. HR is fully committed to supporting HR decisions made through the screening process and will provide better documentation where criteria has been adjusted. The ES manager will review a sample of competition files as part of the performance review of staff to ensure the integrity of screening decisions being made.

HUMAN RESOURCES – RECRUITMENT AND SELECTION
NOVEMBER 2010

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
5.	<u>Inadequate Approvals</u> In seven (7) instances, an approval signature was not present or could not be discerned on the Personnel Requisition Form (PRF) (used to request a job posting) or the Payroll Change Notification (PCN) (used to hire for a position). In two (2) instances, negotiated vacation and benefit terms outside of standard compensation policies were not pre-approved by the Managers of Employment Services or Compensation.	That Employment Services staff ensure adequate approvals are obtained on forms submitted by departments.	Agreed. HR has established an internal process which requires that any hiring manager who is considering terms and conditions outside of the standard policy allowances must provide HR with a written rationale for approval. The decisions are documented to the employee file. HR is monitoring these policy exceptions for attraction and retention purposes. HR has planned for Manager Self Serve capabilities through the HR Technology Strategy which will allow for electronic forms and signatures. If the technology receives capital budget approval, HR anticipates implementation in 2015. In the interim, HR will follow up with hiring managers and Finance staff to ensure we have appropriate approvals on the required forms.
	Inadequate approvals increase the opportunity to exceed budgetary limits, exercise favoritism and create inequities between existing and new employees. This in turn fosters a negative perception of an unfair or inequitable employer.	That hiring managers be instructed to obtain adequate approval in writing from Employment Services for negotiated employment terms falling outside the range of standard compensation policies and procedures.	Agreed. HR developed and implemented a Job Offer Planning Tool which communicates clearly the expectation that hiring managers consult with HR. The Job Offer Planning tool was piloted in Q4 2010 with full implementation in Q1 2011.

HUMAN RESOURCES – RECRUITMENT AND SELECTION
NOVEMBER 2010

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
6.	Offer Letters a) In seven (7) files tested, the offer letter was dated before the PCN (now Employee Change Notification (ECN)) was approved or received by Employment Services. This creates a risk that terms approved by the General Manager in the PCN differ from those verbally negotiated and placed in the written offer letter. The City is bound by terms in the verbal and written offers, whichever was extended first.	That Employment Services only issues offer letters after an approved PCN is received from the hiring department. That Employment Services develop a verbal offer template to aid hiring managers in presenting and documenting verbal offer details. This completed template should be attached to the PCN approved by the General Manager or Designate.	Agreed. This process is appropriate for most hires. However, there continues to be exceptions where a written offer is requested by a preferred candidate in order to further negotiate terms and conditions before accepting. Agreed. Through the introduction of the Job Offer Planning Tool in Q4 2010, we have outlined a process which requires more consultation with HR when negotiating terms and conditions of employment. Currently, this acts as a script to ensure a professional and consistent job offer is made to applicants by the hiring manager.

HUMAN RESOURCES – RECRUITMENT AND SELECTION
NOVEMBER 2010

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
6.	Offer Letters (Cont'd) b) Offer letters provided to successful internal candidates are not signed by the employee. In six (6) files tested, the offer letter was dated after the effective start date. This creates some legal exposure as employment terms are not agreed to in writing before employment commences.	That processes are documented and communicated to hiring managers to ensure a written offer is extended for a position prior to the commencement of employment in that position.	Agreed. Considerable progress was made in 2010 to address this concern and educate the hiring managers about the importance of having an accepted, signed offer back prior to starting. Primary focus has been on external full time positions. In 2010, HR introduced an offer letter template to confirm employment for all summer student hiring which was executed by the hiring managers.
		That offer letters for successful internal candidates be signed by the employee similar to offer letters sent to external candidates.	Agreed, in principle. HR's focus has been on external hires and internal transfers/promotions where a Vulnerable Sector Search is required prior to commencing their new roles. At this time, HR is unable to divert resources to undertake sign-back offer letters for all internal candidates.

HUMAN RESOURCES – RECRUITMENT AND SELECTION
NOVEMBER 2010

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
7.	<u>Temporary Agency Placements</u> There is evidence that departments co-ordinate their own temporary agency placements and bypass Employment Services' involvement. No effective controls are in place to control the use of temporary placements. This increases the risk of grievances due to the long-term use of temporary placements to fill a vacancy and the resulting payment of temporary agency fees exceeding normal salaries and benefits. In fact, in a sample of ten (10) such placements, there were five (5) instances where single temporary placements were used for six (6) months up to 1-1/2 years each. In two (2) instances, the City ended up paying temporary agency fees greater than the salary and benefits that would have been paid to a permanent employee by at least $20,000 and $31,000, respectively. Hiring managers should be responsible for arranging temporary agency placements with Employment Services involved in control activities.	That Employment Services create a policy and related procedures that address the use and control of temporary agency placements.	Agreed. This will be addressed through HR's management action plan outlined in recommendation #2 above.

HUMAN RESOURCES – RECRUITMENT AND SELECTION
NOVEMBER 2010

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
8.	Process Improvement Areas a) Employment Services relies heavily on email correspondence in the recruitment and selection process. However, this correspondence is rarely deleted regardless of the person's role in the job opening or if a paper copy is placed in the call file. For example, a copy of the final job description is saved on three different drives. Electronic copies of the union query, previous employee query and screening sheet are saved on a local drive even though these documents are also printed and retained in the call file. All of these examples represent an inefficient and uneconomical use of electronic resources, placing a strain on server capacity, computer processing speed and document storage.	That Employment Services review the entire recruitment and selection process with the objective of eliminating instances where duplicate manual or electronic documents exist. Use of current technology for document storage and retention should be considered.	Agreed. HR started a review of records management in Q2 2010 to continue through to Q2 2011. In Q4 2010, electronic records were organized and streamlined. Inactive/obsolete files have been archived or deleted. HR will be the next department to implement the corporate EDRMS (Electronic Document Record Management System). Temporary enhancement of resources will be necessary to move all paper records to an electronic system.

HUMAN RESOURCES – RECRUITMENT AND SELECTION
NOVEMBER 2010

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
8.	Process Improvement Areas (Cont'd) b) Paper resumes are currently accepted by mail, fax and in person. As the Previous Employee Query and Union Query are both generated from electronic applicant information housed in PeopleSoft when resumes are submitted online, time is spent entering manual applicants into the system. If applicants are encouraged to submit their resumes electronically, time savings can be generated for Employment Services staff.	That Employment Services consider ways to encourage electronic submission of applications and resumes. For example, setting up a workstation in the Human Resources reception area with a scanner, so that in-person applicants can scan and submit their resumes electronically.	Agreed. With the front counter renovation to meet AODA compliance in 2011, 2 computer kiosks will be available for public to submit applications on-line. The implementation of the 2 kiosks is subject to availability of funds for 2 computers in 2011. Manual applications will continue to be received to ensure that all potential applicants have an opportunity to submit interest to an open posting.
	c) Staffing Workforce Planning Specialists manually screen resumes to select which applicants should proceed in the recruitment and selection process. This is very time consuming especially if there are a large number of applicants. Computer programs exist that will scan an electronic document for specific key words. If a computer program can screen resumes for key words, the amount of time spent screening resumes may be reduced for Employment Services staff.	That Employment Services investigate word-recognition software that is compatible with PeopleSoft to assist in the screening process.	Disagreed. Based on an expert review, the decision was made by HR Management Team to support upgrades and enhancements to our current PeopleSoft system which has a module for enhanced screening processes.

HUMAN RESOURCES – RECRUITMENT AND SELECTION
NOVEMBER 2010

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
8.	Process Improvement Areas (Cont'd) d) An offer letter template is available. However, Recruitment Co-ordinators make several adjustments to the template when preparing a specific offer letter, especially for non-union positions where employment terms can vary greatly or when various employment conditions exist. A more comprehensive or detailed template may reduce the amount of time spent by Recruitment Co-ordinators formatting and revising offer letter content.	That Employment Services create a more user-friendly offer letter template.	Agreed. Completed for all external hires in Q3 2010 and will complete Internal Offer Letter templates in 2011.
	e) Recruitment Co-ordinators and Staffing Workforce Planning Specialists are the only resources available to hiring managers. There are no general policies and procedures in place or training available to assist hiring managers in understanding the process, carrying out their responsibilities competently and reducing inconsistencies in application.	That once policies and procedures are brought up to date as outlined in #2, Employment Services provide training to hiring managers in regard to their responsibilities.	Agreed. As policies and procedures are approved, HR will develop communications / training to educate the hiring managers on policies, accountabilities, processes and the application of such to their specific workforce. A number of presentations related to the recruitment process was delivered by the Workforce Planning Specialists to management teams in 2010.

HUMAN RESOURCES – RECRUITMENT AND SELECTION
NOVEMBER 2010

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
8.	Process Improvement Areas (Cont'd) f) A Competition Log is maintained manually in Excel for each Staffing Workforce Planning Specialist to record various details about job postings for which they are responsible. An electronic Statistics Summary Sheet is also maintained and a Checklist and Table of Contents is completed for each call file. All of these documents contain similar information about the job opening which can also be tracked in PeopleSoft. However, the two systems produce varying results as many times the log is not kept up to date. Generating reports from PeopleSoft produces more accurate data and saves time compared to manually maintaining several Excel spreadsheets.	That Employment Services decide what information and statistics are to be captured for each job opening and investigate options and reports available through PeopleSoft to capture this information.	Agreed. This recommendation has been addressed in the HR Technology Strategy Blueprint. Development of new reports is on hold until the PeopleSoft upgrade is completed in Q3 2011. This recommendation will be reviewed in conjunction with the performance measures recommendation #3 above to ensure appropriate data collection related to the measures is identified.

HUMAN RESOURCES – RECRUITMENT AND SELECTION
NOVEMBER 2010

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
9.	Acting Positions a) Few controls exist over acting positions. No policies exist outlining how long an employee may assume an acting position. Of the thirty-nine (39) employees who assumed an acting position in 2009, 44% (seventeen (17)) held the acting position in excess of six (6) months. The average duration was 204 days or 7.3 months. Also, the rationale as to how the employees appointed to the acting roles were selected is not documented. Temporary assignments longer than three (3) months should be filled using job competitions. Of the five (5) acting positions held in excess of thirteen (13) months chosen for testing, all were filled using management's discretion rather than a competition process. Approval from the Executive Director of Human Resources to waive the job competition requirement was not obtained. Lack of transparency and structured process with acting position appointments provides an opportunity for favouritism, fostering the negative perception of unfair employment practices at the City.	That Employment Services include a policy and procedure to clarify the use of acting positions as part of the recommendation noted in #2. Controls should be outlined in the policy.	Agreed. This policy will be included as a priority policy for development as part of recommendation #2 above. In 2010, when HR receives the supporting documentation for acting/temporary assignments, staff are entering the projected end dates to better monitor compliance with collective agreements and corporate policies.
	b) An offer letter is not prepared for acting positions to convey the terms and conditions of the new role and responsibilities to the employee. This may place the employee in an unfair situation if the employee does not understand his/her new responsibilities and duties.	That Employment Services prepare offer letters for employees entering into acting positions.	Agreed, in principle. This would be a best practice. In some limited situations, HR requires a sign-back from internal employees. However, consideration must be given to the fact that current resource levels are not adequate to ensure compliance in this area.

HUMAN RESOURCES – RECRUITMENT AND SELECTION
NOVEMBER 2010

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
10.	Corporate Contracts No corporate contracts exist with the following service providers: • Temporary placement agencies ($1.0M spent from January to December 2009); and • External job advertisement firm ($114K spent in 2009). The City may not be taking advantage of price reductions that could be negotiated through volume or other discounts.	That Employment Services work with Purchasing to investigate opportunities to negotiate corporate contracts, where applicable.	Agreed. The tender for temporary agency services for frequently used administrative functions has been drafted for release in Q1 2011. An RFP process was completed in 2007 to award a contract to Day Advertising with the final term ending May 31, 2011.

HUMAN RESOURCES – RECRUITMENT AND SELECTION
NOVEMBER 2010

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
11.	<u>Department Recruitments</u> a) Macassa Lodge does not use Employment Services when hiring Dietary Aides and Resident Helpers. Such action is not appropriate because: • Positions are not advertised. The applicant pool is derived from word-of-mouth by current employees and random applications submitted by the public directly to the Lodge. This unfairly restricts access to a diverse group of applicants. • Of the 14 individuals hired in 2009 for these positions, 43% (six (6)) were related to existing City employees, most of them working at Macassa. This increases the perception of nepotism. • Documentation retained by the Lodge to support these hiring decisions was not adequate. Criteria used to adjudicate applicants were not in line with the job description. Although Employment Services was aware of and disagreed with these activities, no action was taken to stop these practices.	That Macassa Lodge be directed to hire all its employees using the standard recruitment and selection process through Employment Services.	Agreed. HR has advised the Administrator of Macassa Lodge about the recruitment issues identified in this audit and will work with Macassa's management team to address the audit findings as the new requirements under the Long Term Care Act are introduced into the workplace.

HUMAN RESOURCES – RECRUITMENT AND SELECTION
NOVEMBER 2010

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
11.	Department Recruitments (Cont'd) b) Parking and By-Law Services hire their own School Crossing Guards. Although the majority of the recruitment and selection process mirrors that carried out by Employment Services, the following differences exist: • Positions are only advertised in the school crossing area, the Hamilton Spectator or City bulletin boards for difficult-to-fill positions. Individuals regularly drop off their resumes at the parking and by-law office and this information is saved in a database and used when a position arises. • Previously employed crossing guards returning in good standing do not require another interview or updated information (i.e. Police clearance, medical exam).	That Employment Services assert its authority and involvement in the recruitment and selection process for this area.	Disagreed. HR does not have the resources to address this recommendation. However, HR is able to provide advice and guidance to the hiring managers related to specific recruitment issues that may arise.

HUMAN RESOURCES – RECRUITMENT AND SELECTION
NOVEMBER 2010

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
11.	Department Recruitments (Cont'd) c) College and university co-op students are hired directly by the department following guidelines set by the educational institution. Documentation is generally not retained by departments that support the hiring decision. Employment Services was centralized at the City to pool expertise, create synergy, realize cost savings and gain control over the recruitment and selection process. With Employment Services not being involved in areas as noted above, the risk of violating legislation and collective agreement clauses, favouritism and nepotism exists. Also, there may be a duplication of effort if departments and Employment Services are carrying out the same functions.	That departments be directed to retain documentation regarding co-op student hires to support their selections.	Agreed. As ES develops policies, procedures, resource materials and training for hiring managers related to the recruitment and selection process, HR will educate clients about process, documentation and best practices. HR's ability to impact this is dependent on acquiring additional resources and competing priorities.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-08
HUMAN RESOURCES - RECRUITMENT AND SELECTION

A D D E N D U M

The following items were noted during the course of the audit. Although they do not present internal control deficiencies, they are indicated in this Addendum so management is aware of the issues, risks and inefficiencies and can address them appropriately.

<u>**Credential Verification**</u>
1. In five (5) files sampled, Internal Audit could not find evidence of the verification of licenses or certificates before commencement of employment to satisfy conditional offers. As Employment Services does not check or retain copies of this documentation and no instruction is provided to departments to retain such information, there is a risk that hired candidates are actually as not qualified as indicated on the application. This may potentially impact the City's level of expertise and capability to deliver on its programs.

It is recommended:
That Employment Services collect and retain documentation to support conditional offers either directly from the successful candidate or the hiring manager.

Management Response:
Agreed. The hiring manager is accountable to ensure this documentation is provided to support the hiring decision. This was delegated to the person most responsible for compliance to the position requirements. The HR Technology Strategy Blueprint contains a proposal to capture this data on-line for talent management purposes and to create a skills inventory for emergency planning purposes.

<u>**New Employee Orientation**</u>
2. Of the four (4) new hires tested, 50% (two (2)) did not attend the corporate new hire orientation. It is important for new hires to attend orientation to become familiar with the Code of Conduct and other City policies and procedures and to instill values and objectives embodied in the Corporate Strategic Plan. An organization as large as the City must provide corporate-level training to new hires.

It is recommended:
That Employment Services create a process with Organizational Development to monitor new employees' timely attendance at new hire orientation and take corrective action with the employee or department, when necessary.

Management Response:
Disagreed. This is a management responsibility. Information is provided to new hires with the instructions of how to register for the orientation along with information about the importance of attending.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-08
HUMAN RESOURCES - RECRUITMENT AND SELECTION

A D D E N D U M

Process Improvement Areas

3. Currently, regret letters are sent to internal applicants screened and tested out. In addition to being mailed to unsuccessful applicants, copies are placed in the call file. The Successful Applicant list on the Intranet advertises the outcomes of job competitions to meet Collective Agreement requirements. As a result, the time and funds spent generating these specific regret letters does not add value.

It is recommended:
That Employment Services, in conjunction with Labor Relations, determine whether such regret letters can be eliminated.

Management Response:

Agreed. ES will work with Labour Relations through the collective bargaining process in 2011 to be more efficient in how HR communicates to its employees. Best practice suggests that no communication with our unsuccessful internal candidates will contribute to employee dissatisfaction.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-11
CORPORATE SERVICES
CITIZEN SERVICE CENTRE (CITY HALL) – FUNDS HANDLING

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
1.	<u>Deposits Accepted from Other Departments</u> The Citizen Service Centre (CSC) receives deposits from other departments at City Hall. The deposits are in a sealed bag along with the deposit slip. The deposit information on the outside of the bag is recorded in the Brinks' log and the bag is placed in the safe. The CSC does not sign for the deposit of other departments and does not match these deposits against the bank statement. This raises the question of accountability if a deposit bag goes missing or deposit amounts do not agree.	That deposit controls be enhanced by implementing the following: a) the individuals dropping off and receiving the deposit sign the log; b) CSC staff verify all deposit amounts as per the Brinks' log against the bank statement and attach supporting documentation to prove the matching; and c) departments are notified in the event of a deposit that is unable to be matched to the bank statement.	Agreed. CSC staff now receive two copies of deposit slips for each bag received from other departments. One copy is initialed and returned to the departmental staff, the second copy is filed with the Brinks log book. While CSC staff verify that the bank has received and deposited CSC funds picked up by Brinks on a daily basis, they now also verify that deposits forwarded to Brinks on behalf of other Departments have been received and deposited. CSC staff will immediately notify departments if a deposit is not matched to the bank statement.

CITIZEN SERVICE CENTRE (CITY HALL) – FUNDS HANDLING
JANUARY 2011

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
2.	Procedures Eight out of ten procedures applicable to the CSC and reviewed by Internal Audit had not been reviewed and/or revised during the previous 12 months. In addition, there were no written procedures pertaining to accepting deposits from other departments, locking cash drawers and matching CSC deposits to the bank statement. When there are no complete or updated written procedures to refer to, the employee currently carrying out the process relies on personal understanding and experience, which could result in incorrect, incomplete or inconsistent application. It would also be problematic and inefficient for the successor to commence his/her duties within a short period of time.	That procedures be reviewed yearly by management to ensure that the documents are current. There should be evidence of review (sign-off). Procedures noted as lacking in the observation should be written and distributed to staff.	Agreed. Cash Handling Procedure #MSC001 has been updated to reflect the receipt of deposits from other departments, locking cash drawers and matching deposits to the bank statement. No revisions were required to the other nine procedures but they have been updated to reflect the date they were reviewed. The requirement for a yearly review will be added to the service centres' year end process.

CITIZEN SERVICE CENTRE (CITY HALL) – FUNDS HANDLING
JANUARY 2011

#		OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
3.		<u>Physical Security - Access Via Proximity Card</u> During audit fieldwork, it was noted by Internal Audit that CSC Management had authorized seventeen (17) staff members to have access to the staff counter area and balancing room at the CSC via proximity cards. However, when the listing of staff that had access to the CSC via proximity cards was obtained from Facilities, it was noted that two hundred and seven (207) employees had been granted access to the CSC staff counter and balancing room. Exposure of cash handling operations to such a large number of individuals increases the risk of misappropriation or loss of funds.	That proximity card access be restricted to only staff members that require access to the CSC staff counter area and the balancing room as part of their regular job duties. The access listings should be received from Facilities yearly and reviewed by CSC Management.	Agreed. The Supervisor of Facilities has revised "group" formatting in the security system, providing access to only staff members that have been approved by CSC management. A current copy of the security listing will be requested by management as part of the service centres' year end process.

CITIZEN SERVICE CENTRE (CITY HALL) – FUNDS HANDLING
JANUARY 2011

#		OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
4.		Physical Security - Locking of Cash Drawers During the audit testing, there were several instances in which staff had left the staff counter area and had not locked their cash drawer. Unattended and unlocked cash drawers pose the risk of cash and cheques being inappropriately removed. Coupled with the observation noted in #3 above, the fact that the area is also accessible to many staff increases that risk.	That CSC staff be reminded of their responsibility to always lock their cash drawer when they leave the staff counter area. Management should regularly test that this practice is being adhered to and document any non-compliance.	Agreed. CSC staff have been reminded of their responsibility to always lock their cash drawer when they leave the staff counter area. Management will regularly check, on a random basis, that CSC staff are locking their cash drawers when they leave the counter area. A record of non-compliance will be kept by management.
5.		Physical Security - Deposit Bags It was noted during the audit that deposit bags are removed from the safe and placed in the balancing room prior to the Brinks pick up. Given the observation that was noted in #3, this leaves the deposit bags unattended in an area that is accessible to a large number of staff. A more secure arrangement would safeguard the funds.	That deposit bags remain locked in the safe until Brinks' staff arrive on-site at the CSC to collect the deposits.	Agreed. Facilities has now corrected the problem noted in #3 but, as an extra precaution, Brinks deposits bags are now left in the vault until Brinks staff have arrived for pick up.

CITIZEN SERVICE CENTRE (CITY HALL) – FUNDS HANDLING
JANUARY 2011

#	OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
6.	Physical Security – Post-Dated Cheques Post-dated cheques are stored in a vault area kept unlocked during business hours. Cheques can more easily be misplaced or stolen if not kept in a secure, restricted area.	That all post-dated cheques be stored in a locked cabinet or drawer at all times.	Agreed. The post-dated cheques are now stored in a secure combination safe inside the main vault. The two Tax Division Customer Service staff who handle the post-dated cheques have been advised of the amended procedure and have been provided with the combination to the secured combination safe.
7.	Restrictive Endorsement of Post-Dated Cheques Post-dated cheques are not restrictively endorsed upon receipt by the CSC staff. It was noted that post-dated cheques received by the CSC are given to the Taxation division for endorsement, storage and processing at a later date. There is lag between when the Taxation division receives the post-dated cheques and when they are endorsed. Endorsing cheques upon receipt reduces the risk of theft or misappropriation.	That all post-dated cheques be restrictively endorsed upon receipt at the CSC.	Agreed. The Manager, Customer Service (Revenues), has implemented that all post-dated cheques received through the mail and drop box are endorsed upon receipt. The Manager of Citizen Service Centres has directed CSC staff to endorse all post-dated cheques received over the counter, prior to forwarding to the Taxation Division.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-11
CORPORATE SERVICES
CITIZEN SERVICE CENTRE (CITY HALL) – FUNDS HANDLING
ADDENDUM

The following items were noted during the course of the audit. Although they do not present internal control deficiencies, they are indicated in this Addendum so management is aware of the issues, risks and inefficiencies and can address them appropriately.

Petty Cash

1. It was noted that the petty cash funds had not been utilized for any reimbursable expenditures since the move back to City Hall in May, 2010. In addition, during the cash count, Internal Audit discovered a petty cash shortage of $95.00. This shortage had not been previously reported to the Manager, Citizen Service Centre & Municipal Service Centres, as required by the over/short policy for the CSC. There is the risk that petty cash funds may be used improperly.

   Management stated key handling procedures were not properly followed in the time period that the petty cash shortage was thought to have occurred.

   It is recommended:
   That petty cash funds be removed from the CSC.

   Management Response:
   Agreed. The petty cash fund has been closed. The petty cash fund was transferred from Clerks staff to CSC staff during the move back to City Hall and the opening of the Citizen Service Centre. In the eight months since it's opening, there has been no petty cash transactions and it has been determined that the fund is not required. The failure to follow the proper key handling procedure has been addressed with the petty cash custodian.

Brinks Identification Sheet

2. It was noted by Internal Audit that the Brinks' Photo and Signature Listing was over two years old. Brinks' staff information was not up to date for use by CSC staff to identify Brinks' employees authorized to pick up deposits.

   It is recommended:
   That a current Photo and Signature Listing be requested from Brinks at least annually and be utilized by staff on a regular basis as part of the Brinks deposit pick up process.

   Management Response:
   Agreed. While the Brinks Photo and Signature Listing viewed by Internal Audit was over two years old, it was verified to be up to date and had been received from Brinks in May 2010. Management has added the requirement to request updated Brinks Photo and Signature listings to the service centres' year end process.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

INTRODUCTION

The purpose of this audit was to examine four business processes within the Information Services (IS) Division. The processes examined were:

- Incident Management (includes Service Desk)
- Problem Management
- Change Management
- Release Management

A brief description of each business process is provided as a reference point.

Incident Management

Incident Management is the process of managing the service desk and incidents and responding to IS user queries. Incident management also includes the collection of data that is analyzed as part of the Problem Management process.

Problem Management

Problem Management is the identification and classification of problems, root cause analysis and resolution of problems.

Change Management

Change Management is the process of ensuring that all changes (including emergency maintenance and patches) are formally managed in a controlled manner. Changes are logged, assessed and authorized prior to implementation and are reviewed against planned outcomes.

Release Management

Release Management involves the planning, designing, build configuration, documentation and testing of hardware, application and software components and the implementation of these components into the live IS environment.

Typically and simply, an incident is a single, "one-off" occurrence; similar incidents are identified as a problem; a problem may ultimately be resolved with a change(s); and changes are bundled together to be implemented as a release.

The audit report consists of a section of audit observations located at the beginning of the report that are applicable across the entire IS Division (General Observations). The remainder of the report consists of audit observations that are organized by business process (Incident & Problem Management (including the Service Desk), Change Management and Release Management). There may be some duplication of audit observations between each of these sections. This is due to the fact that several of the audit observations are applicable to multiple business processes but need to be addressed individually by the factors affecting the particular process.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

A. GENERAL

1. Consultants' Reports
Observation
In 2005, a consultant's report (Consultant - B. Wyze) was prepared that documented a plan to implement IT best practices process flows at the City of Hamilton.

Again in 2009, a series of four reports, commissioned from IBM for business processes design, was completed (at a cost of approximately $100,000). To date, most of the processes discussed in the reports have either only been partially implemented or have not been implemented at all.

Recommendation
That IS complete the implementation of the business processes as outlined in the IBM reports, customizing them as necessary to best meet the needs of the City.

Management Action Plan
Agreed. The IBM study was commissioned to assist with defining the job architecture and organization structure to meet current information technology needs within the City. The definition of high level IS business processes was added to the scope at the end of IBM's engagement to assist IS with planning for the new IS organization. IS management deferred further work on the IS business processes until the restructured organization was in place to support the processes. The restructuring of the extended management group is complete and the next stage of restructuring (which involves the remaining positions) is expected to be complete by early 2011. At that time, IS will work on the development of a plan to complete the implementation of the IS business processes.

2. Performance Metrics
Observation
It was noted throughout the audit that performance measurement metrics are generally not being compiled, analyzed and reported by the IS management team to the Director of Information Technology. Calculating metrics is a key part of current information technology best practices. The review of performance metrics would enable the IS group to optimize their decision-making processes.

There is currently no way for SMT to be aware of the current state of the IS group, based on empirical evidence and statistics. It is extremely difficult to identify areas that are currently struggling and/or have inadequate resources allocated due to the current lack of performance measurement metrics.

Metrics and benchmarks are also not being utilized as part of the employee performance management process, where applicable (i.e. service desk).

Without adequate management information and performance measurements, it is highly unlikely that optimal decisions can be made.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

Recommendation
That a reporting package be developed that will be compiled by IS staff and reported to IS management and ultimately the Director of Information Technology.

The reporting package should consist of various metrics that are considered to be critical and best practice for each of the major business processes within IS (Incident, Problem, Change and Release Management). In addition, compiled metrics should be utilized as part of the employee performance management process, where applicable and appropriate.

Management Action Plan
Agreed. Information Services will be developing performance metrics that complement and align with our business processes to be implemented throughout 2011. The following lists the metrics that will be implemented initially. As our processes mature, the reporting metrics may change.

Incident - total Heat tickets per month; total calls per month; and total calls abandoned per month.

Change - number of "Requests for Changes" forms submitted/approved/denied; number of pre-approved changes implemented; number of Emergency Change requests submitted/approved/denied; and number of Changes completed on schedule.

Problem - heat tickets category; heat tickets by location; and heat tickets by department.

Release - number of incidents caused by a release; % of releases that are completed as planned, rescheduled or delayed or require content revision.

3. <u>Time Tracking</u>
Observation
Time tracking is not currently being done on a consistent basis within the IS division. There is no procedure that requires staff to record their time and make them accountable for their working hours by project, task, and/or workflow.

Work in IS is heavily project and/or incident based. Without time budgets or time tracking, the true cost of a project is difficult to accurately measure, limits management information and negatively impacts resource allocation.

Recommendation
That time tracking be implemented within the IS division. A timesheet template or tool should be created or purchased and staff should be required to complete and submit a weekly timesheet to their direct supervisor. Supervisors would review timesheets and perform follow up, where necessary.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

Time would be accumulated on a project basis with total cost calculated upon each project completion.

Management Action Plan
Agreed. IS is currently implementing processes and an application for Project Portfolio Management (PPM). The application includes a time sheet function that will allow us to create an employee specific time sheet for staff to track their work week to specific tasks. Supervisors will be responsible for creating the employee specific work/time sheet and following up with staff to ensure compliance. The application (including Time Tracking) will be in place and operational by the end of Q2, 2011.

4. Work Intake
   a) *Intake Process Components*
      Observation
      IS is currently in the midst of drafting their intake process. Three of the six components of the intake process have been drafted and are in the process of being implemented. With respect to the portions that have been drafted, the following observations were noted.

      Currently, the Information Services Working Committee (ISWC) meets every other month and as needed during the year. The ISWC is a key part of the intake process which determines how people, processes and technology are to be leveraged to meet business needs. This meeting frequency is not enough to effectively manage the intake process.

      There is no Project Advisory Board (PAB) in IS. PAB should approve operations-based project work that is to be performed either internally within IS or externally for other groups within the City of Hamilton. Without a PAB, projects may not be approved in a consistent, effective manner that is based on a standard set of criteria.

      There is no Project Portfolio Management (PPM) tool to track work requests (intake database). It is difficult to determine if there is a backlog of work (and the size of the backlog) if IS is not tracking project work in one centralized database. IS could also be missing opportunities to achieve efficiencies by staff searching the database to see if any projects have been completed that contain similar work steps that can be utilized in new projects.

      Recommendation
      That the ISWC meet more frequently (at least monthly). If, due to scheduling constraints, physical meetings are not possible, then innovative alternatives such as teleconferencing and email commenting should be considered.

      Management Action Plan
      Agreed. The new ISWC monthly meeting schedule will be in place by January, 2011.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

That a Project Advisory Board be created and meetings held at least bi-weekly.

Management Action Plan
Agreed. The IS Management Team has developed a Terms of Reference for the Project Advisory Board (PAB) and formed a PAB comprised of members of the IS extended management team and also some of the Customer Relationship Managers (CRMs). This group has standing meetings scheduled every two weeks. The first meeting was Friday, October 1, 2010.

That IS research the cost of implementing a PPM tool and plan to include the required funding for implementation in an upcoming budget.

Management Action Plan
Agreed. IS is currently implementing processes and an application for Project Portfolio Management which is scheduled to be fully implemented within IS by end of Q2, 2011. This is an upgrade to the existing industry standard PPM tool, Eclipse, by Solution Q. The total expected cost of software and implementation is $90,000. Additional operating funding will be required in 2012 for on-going support.

b) *Procedures*
   Observation
   Pre-approved intake requests (i.e. Standard Service Requests) including related standard times have not been formally documented for the Applications Group in an IS procedures document. Inconsistent expectations can lead to friction between the IS user community and IS division staff.

   Recommendation
   That Standard Service Requests for all IS groups be defined in a procedures document that is related to the work intake process.

   Management Action Plan
   Agreed. A list of Standard Service Requests already exists for the Infrastructure & Operations and Security sections within IS since these groups handle the majority of these requests. This list will be reviewed and updated as required by Q1, 2011.

   A similar list of Standard Service Requests will be developed for all remaining IS service delivery teams by Q1, 2011.

   All Standard Service Requests will be incorporated into a Service Catalogue that will be released to the IS user community by Q2, 2011.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

c) *Estimate of Effort (Budgeting)*
Observation
The draft intake process for customer requests notes how an estimate of effort required to carry out the work be included on the Customer Request document. The budgeted number of IS hours costed out needs to be included. The Customer Request form itself is not consistently used across IS.

Currently missing on the Customer Request form is a section to be filled out at the end of the project to note the actual time spent and the actual project cost for the IS division including a variance analysis between actual and estimated numbers. Without such a section, performance management of project staff is not occurring on a consistent, supportable basis and projects are not being fully evaluated post-completion.

Recommendation
That a section for budgeted cost and actual cost and a section for variance analysis to indicate time that was over or under budget from the original plan be included in a revised version of the Customer Request form.

Management Action Plan
Agreed (in part). IS will record budgeted cost, actual cost and variance analysis for projects. However, IS does not believe that the Customer Request form is the best place for tracking this information. The Customer Request form is not a living document to be maintained throughout a project. It is a static document used in the initiation of the request. Instead, IS will be recording this information in the project and portfolio management processes and application to be implemented in Q2, 2011. This application will be used to track and report on costs and variances from budgeted costs for projects.

That this revised Customer Request form be implemented across IS (and therefore, across the City).

Management Action Plan
Agreed. The current version of the Customer Request form includes the estimated IS costs for implementing the project. This form is now required for all substantive IS project requests. Definitions for pre-approved or small projects will be complete by Q1, 2011. This will be implemented across the City in Q1, 2011.

d) *Customer Relationship Management (CRM)/Lead Time Policy*
Observation
In the draft intake process, a lead time policy is not included. A lead time policy would define how much notice other departments in the City would be required to give to IS to handle their intake request.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

The lead time portion of the policy includes how to deal with intake requests that do not have sufficient notification and how to enforce such a rule with other departments within the City of Hamilton.   Without this policy, projects of strategic importance may not be able to be accommodated due to a lack of available resources because insufficient lead time was provided to the IS division.

Recommendation
That a Lead Time Policy be drafted, implemented and enforced across IS. This Policy should define standard lead times that are required for non-standard work based on priority levels. This Policy should also contain documentation of CRM (Customer Relationship Manager) roles within IS including responsibility for the awareness of future departmental requests and needs on a more pro-active basis.

Management Action Plan
Agreed. The development of a CRM Lead Time Policy will be beneficial to both IS Clients and IS itself. A number of meetings have already taken place with departmental management teams to raise awareness of the CRM role and to promote a departmental model for project prioritization (prior to the review through the feasibility and initiation phases of the IS Intake Process and subsequently by ISWC). Completion of the remaining Intake Process components will help IS to arrive at acceptable and attainable standard lead times required to process a non-standard work request through to completion or rejection. The experience gained in practice with the IS Intake Process will allow IS to adjust for continuous improvement to the CRM Lead Time Policy. The policy will be created as a sub-set of the efforts required to complete the Intake Process and is expected to be completed by Q4, 2011.

e) *Incomplete Process Documentation*
Observation
Currently, three parts of the intake process have not yet been drafted: IS-Intake 4 (Work Planning Process), IS-Intake 5 (Work Scheduling Process) and IS-Intake 6 (Work Execution Process).

The intake process is an important aspect of the work of IS and the process should be fully documented and implemented to ensure efficient project resourcing and execution.

Recommendation
That IS draft and implement all three remaining portions of the intake process that have not yet been completed.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

Management Action Plan
Agreed. This work is under way. However, the development and implementation of the work intake process for IS will be dependent on the implementation of the Project Portfolio Management (PPM) system in IS, as major aspects of the controls for these three sub-processes are intended to be built into the PPM system. This exercise is estimated to take about .25 FTE full time for a period of 12-18 months to do the background preparatory work and create the draft processes. Direction provided by CMO, SMT and the ISWC may affect delivery timelines.

5. Procedures
   Observation
   Throughout the audit, it was observed that there is a lack of up-to-date, defined procedures for IS staff to follow and for management to maintain. A lack of procedures documentation exposes the IS group to the risk of poor staff performance due to ambiguity or uncertainty surrounding processes and workflows.

   Recommendation
   That IS management create, regularly update and ensure staff compliance with procedures for all of the business processes within IS.

   Management Action Plan
   Agreed. The procedures identified in this Internal Audit report will be created and then regularly updated. IS Management will ensure that IS staff complies with these procedures.

6. Quality Assurance
   Observation
   During the audit, it was noted that there is no formal quality assurance (QA) function within IS. Currently, QA is performed only on an ad-hoc basis, as necessary. Best practices in effective IS organizations recommend a quality assurance responsibility.

   The risk lies in that no detailed review of technical specifications is made to the production environment. No quality reviews are run on a regular basis that could detect inappropriate activity, which potentially cost the City.

   Recommendation
   That IS make quality assurance part of the job responsibilities of a current staff member.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

Management Action Plan
Agreed. A formal Quality Assurance function is required within IS. This will be a challenge for IS to implement within the constraints of current IS complement and budget. IS will assign a staff member and support the incorporation of QA methodologies and processes by Q4, 2011. This will require the selection, purchase and implementation of quality assurance and reporting tools that integrate into the development environment. IS has already undertaken initial investigation into this requirement. Based on research by Gartner Research (the leading IT industry analyst firm) and research conducted by our staff, the industry-leading applications will cost $150,000 to implement. This funding has been requested in the 2011 capital budget. To provide ongoing support for this application, an increase will also be required in the 2012 operating budget.

That quality reviews for high-risk areas be run on a regular basis to deter and detect inappropriate activity.

Management Action Plan
Agreed. This is more of a security role than a QA role and the reviews will be implemented as part of ongoing security operating procedures by Q2, 2011.

7. <u>Service Level Agreements</u>
Observation
There are no service level agreements with functional departments that IS staff is widely aware of that define standard service times for requests submitted to IS.

Conflicts can (and do) occur over expectations for service which is difficult to resolve fairly and consistently in the absence of Service Level Agreements.

Recommendation
That IS draft and implement Service Level Agreements with other departments in the City.

Management Action Plan
Agreed (in part). Service Level Agreements (SLAs) can be very useful for common services which are repeated frequently such as Standard Service Requests. SLAs are not easily applied to services like business process analysis, custom application development or enterprise application upgrades where the scope of work can be vastly different from one instance to another. Furthermore, SLAs are most effective when customers pay for the services that they receive and there are set penalties (financial or otherwise) for failing to meet agreed to metrics. The current funding model for IS does not support this.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

The IS Service Catalog will be reviewed and updated as part of our 2011 work plan. IS will work with departments and agencies to raise awareness of IS service offerings, then draft and implement SLAs for core IS services, including a performance measurement component. This exercise is estimated to take about 0.75 FTE full time for a period of 12-18 months to do the background preparatory work and create a draft SLA. Consideration to direction provided by the CMO, SMT and the ISWC may affect delivery timelines.

B. AUDIT OBSERVATIONS BY BUSINESS PROCESS

SECTION I – INCIDENT MANAGEMENT (INCLUDING SERVICE DESK)

8. Procedures (Service Desk)
    Observation
    Even though detailed process documents were created in 2008, the Service Desk is not using them as they have not been updated.

    There is no training guide/manual or best practices document that is currently in use by the Service Desk, especially for new Service Desk staff members. Only peer training is occurring.

    Staff may not be performing to their full potential without procedural knowledge and the Service Desk may not be aware of its true capacity. If there were ever performance management issues with staff, it would be difficult to take remedial action if there are no current written guidelines against which their actions can be held accountable.

    Recommendation
    That IS draft and implement a procedures manual adequate and detailed enough to be used as a training guide for staff.

    Management Action Plan
    Agreed. Work on this is under way with a number of procedural guides completed and stored on the IS N drive. Further development and review of these guides along with supplemental information (Service Desk scripts, etc.) will form the basis for a procedural document and training guide for IS staff. Consolidation of this information into a concise package is a task Information Services will complete in Q3, 2011. This will require one FTE for a period of three months.

9. Integration
    Observation
    The Incident Management process is not well integrated with the Change Management process. Parent/Child relationships are not being utilized to link similar closed incidents

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

within HEAT (Incident Management Tool) which can ultimately lead to extra staff effort being utilized to resolve incidents that have already been taken care of.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

Recommendation
That the IS Division develop and implement procedures that link the Incident and Change Management process.

Management Action Plan
Agreed. When numerous similar/related incidents are reported to the Service Desk and a problem is suspected, Service Desk staff currently create a "Heatboard" alert to link all these incidents together. This Heatboard alert simplifies administration of these tickets (communications, documentation and closure) from a central point. Creation of a report from the Heatboard alert table in Heat would enable the linkage between Incidents, Problems and Change Management. As a first step towards development of this process, IS will investigate this option and implement a manual integration between Incidents and the Change Management processes in Q1, 2011.

10. Process Documents
Observation
Within the IBM report noted earlier, several documents for Incident Management were listed as needing drafting and implementation. During the audit, it was noted that many of these documents still remain undeveloped. They include:

- Standard service request lists and the associated resolutions/answers
- Standard service request listing for the Business Applications group
- Procedures for assigning work in the Incident Management Process (and defining who the owner of an incident is)
- Service Desk scripts/standard questions to be asked to assist in diagnosing incidents and capturing accurate data
- Procedures to monitor service requests that are assigned to other groups in IS (outside of the Service Desk)
- Procedures for detailing how Service Desk staff should respond to non-standard questions and requests

Further procedures that should be developed as per Internal Audit are:

- Procedures for prioritization, classification and types of incidents
- Process for re-assigning HEAT tickets
- Procedure for reviewing assigned tickets (supervisory review), essentially a QA process
- Process to define when an incident merits escalation to the Change Management process and when a root cause analysis is required
- Incident closure process

Without a properly implemented Incident Management process and corresponding procedures documentation, the IS division continues to function on an ad-hoc basis. Best practice processes (ITIL framework) are necessary for effective Incident Management.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

Recommendation
That IS draft and implement the above-noted documents to be included in the Incident Management process documents and procedures.

Management Action Plan
Agreed. See the response to item #9 above. In addition, Information Services will develop a process flow diagram to document the integration of the above noted report to the Change Management process in Q1, 2011.

11. Tools
    Observation
    A Knowledge Base tool is currently not being used by IS as part of the Incident Management process in order to enable Service Desk staff to look up solutions to similar incidents and problems that have been previously resolved and that have a documented solution.

Recommendation
That IS research and implement a Knowledge Base tool for the Incident Management process.

Management Action Plan
Agreed. Knowledge Base functionality is commonly included in Incident Management and Service Level Management applications. IS currently uses the FrontRange Solutions application (HEAT) for logging and reporting incidents. This application was customized to best fit the specific environment and ITIL best practices. While a knowledge base exists within this application, it does not provide the best fit for the IS environment. Greater value would be derived by ensuring that the selection of a Knowledge Base tool integrates seamlessly with the procedures and practices that will be implemented in 2011 and 2012. As part of this development, Information Services will research a Knowledge Base tool that best meets these requirements in Q4, 2011. Implementation would proceed with capital funding in 2012. Implementation of this tool is projected to cost approximately $90,000 and require four months of staff effort. An increase in the 2013 operating budget will be required to provide continued support for the new application.

SECTION II - PROBLEM MANAGEMENT

12. Defined Process
    There is no defined Problem Management process. Analysis from a Problem Management process provides information to the Incident Management process and reduces redundant work.

    A major component of the Problem Management process is root cause analysis, which is not performed as a regular part of the IS Division's workflow.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

Therefore, incidents are resolved on an individual basis but problems go unidentified which leads to replication of work. Further, solutions implemented may not ultimately address the root cause of a situation, leading to additional work in the future that is needed to address the root cause.

In order to have a properly implemented Problem Management process that is considered a best practice (ITIL framework), the required roles of Problem Management Process Owner, Problem Management Co-ordinator and Problem Analyst should be assigned to staff members.

Recommendation
That a well-defined Problem Management process be implemented by IS.

Management Action Plan
Agreed. See the responses to items #9-11 above.

13. Procedures
Observation
Similar to Incident Management, the IBM report noted several procedures requiring documentation for the Problem Management process. The following documents still need drafting:

- Problem Creation Process
- Assignment/Reassignment Process
- Escalation Procedures
- Formal methodology for investigation and trouble shooting
- Problem Closure Process
- Notification Process
- Feasibility criteria and guidelines (to be used to evaluate solutions to root causes)

Without an appropriately developed Problem Management process, staff will continue to duplicate effort by creating solutions to resolve incidents that should be easily identifiable as a problem with a known solution.

Recommendation
That the above noted documents be developed by IS and included as part of the Problem Management process implementation.

Management Action Plan
Agreed. Along with process flow documentation for incidents and integration to Change Management, IS will develop a process flow diagram and associated documentation for the Problem Management process in Q3, 2011.

14. Tools
Observation
It was noted that IS does not have a Problem Management tool (Knowledge Base) to enable the tracking of problems/known errors and the related solutions.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

Without an appropriate Problem Management tool, it will be difficult and inefficient to track, extract and link information in this process.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

Recommendation
That IS investigate the capabilities of the currently used HEAT system to enable a Knowledge Base feature (currently HEAT has a Knowledge Tree function that is not being utilized on a regular basis). If this is not feasible, IS should consider the various options for a Knowledge Base tool and implement the tool that best meets the City's needs.

Management Action Plan
Agreed. See the response to item #11 above.

SECTION III - CHANGE MANAGEMENT

15. Procedures
    Observation
    During the audit, it was noted that procedures are not current. The existing procedures were reviewed and were determined to be out of date as an annual review had not taken place during the past year. Internal Audit was provided with an updated draft but this document has not yet been fully implemented.

    The current procedures are not comprehensive or defined enough to provide a strong internal control environment for the Change Management process.

    The following areas need to be adequately addressed:

    - Business case information to guide prioritization of change efforts
    - Structured risk and impact assessment considering impacts on the operational system and its functionality
    - Communication to change requesters regarding the status of their request
    - Testing, as appropriate
    - Appropriate generation and/or modification of related documentation and the storage of such documentation
    - Adequate communication of pending changes to affected parties, including management, users, developers, security administrators, IS operations and service desk staff (occurs at CAB but not formally to affected parties)
    - Appropriate segregation of development, test and production environments
    - Adequate consideration of control implications throughout the change process
    - Responsibilities for investigating failures, together with the incident resolution process
    - Maintenance procedures (review requirements)
    - Record-keeping (i.e. meeting minutes) and the level of detail required to adequately document the specifics of meetings

    The Change Management process occurs currently on an ad-hoc basis. If staff are not aware of definitive work expectations, they may make changes that are not authorized due to the lax internal control environment.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

Recommendation

That the Change Management procedures be revised to address the deficiencies noted above. After these procedures have been augmented, they need to be communicated to staff in order to set expectations and ensure that they are followed by all staff.

Management Action Plan

Agreed. Change Management procedures will be revised in co-ordination with the other related IS processes that will be implemented in 2011. With the newly-implemented CRM role, IS now has the opportunity to engage City departments proactively to prioritize changes based on business cases and to provide better communication back to change requestors.

Without dedicated Change Management staff, it is a challenge to ensure formal communications, record-keeping and follow up. At this point, CAB members are relied upon to communicate planned changes to their staff. In the interim, IS will reinforce that expectation with CAB members. Implementation of this recommendation will require the addition of one FTE to oversee these change management responsibilities. IS will include this in the 2012 operating budget submission (see the response to item #20).

Some progress is being made to segregate development, test and production environments. However, the implementation of this recommendation requires the availability of adequate development, test and production server environments. If the budget for the recommended Virtual Servers is approved, the separate environments will be implemented by Q4, 2011.

That all procedures be reviewed at least annually (with evidence, i.e. sign-off) and revised, as required.

Management Action Plan

Agreed. A formal yearly review of the Change Management processes will be implemented and will involve all CAB members. The review will target deficiencies and assign responsibilities for the process revisions as necessary. Sign-off will be included. This will be implemented in Q1, 2011.

16. Audit Trails
Observation
Audit trail event logs can be deleted from servers and this action can go undetected by IS's tracking program (LogRhythm). Therefore, the deletions do not appear on any reports that are reviewed by IS staff. A staff member could make unauthorized changes (IS production environment), delete the corresponding audit trail and the changes would not be detected by

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

the IS Security group. Such changes to the IS environment could put the City's IS functionality at risk.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

Recommendation
That LogRhythm tracking and reporting be changed to ensure that deletions of audit trails appear in reports. These reports should be reviewed by IS staff with appropriate follow up in a timely manner.

Management Action Plan
Agreed. This will be implemented in Q1, 2011.

Currently, IS does not track changes to the IS environment in an automated manner. Changes are recorded manually by IS staff. Due to the lack of capability to track changes in an automated manner which can be achieved by using file integrity monitoring software, the City is not in compliance with PCI Requirement 11.5 - Deploy File Integrity Monitoring Software. If this non-compliance with PCI requirements continues, the City may not be able to accept credit cards as a form of payment.

Recommendation
That file integrity monitoring software be implemented in all IS production environments.

Management Action Plan
Agreed. Automated detection of changes in the production IS environment requires automated tools such as file integrity monitoring software. The selection and implementation of this is included in the PCI compliance project. However, this covers only the environment that is "in-scope" for PCI. Implementing this on all servers will be a very significant and expensive undertaking. The anticipated cost to implement this will exceed $100,000. IS will investigate this in Q3, 2011 in order to include it in the 2012 capital budget. An increase in the 2013 operating budget submission will also be required for ongoing support of this application.

There are no documented procedures for reviewing security logs, specifically in the area that relates to changes that are made to the production environment. This is a component of PCI Requirement 10.6 - Review logs for all system components at least daily. If the City is not in compliance with PCI requirements, the City may not be able to accept credit cards as a form of payment.

Recommendation
That a procedure for reviewing logs relating to the security of the production environment be drafted and implemented. This procedure should specify the various types of reviews that should occur and which reports to use. The procedures should require a review frequency that is in compliance with PCI Requirement 10.6 (daily).

Management Action Plan
Agreed. This will be completed by the end of 2010 and will involve daily reviews for the in-scope PCI environment. Since this will be accomplished with existing IS security staff, reviews will be less frequent for systems outside of the PCI scope.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

17. Security Group Testing
    Observation
    Various tests were conducted on security access granted to IS staff. For a sample of 10 IS employees, a large number of permissions for access had been granted (over 40 instances noted) where the permissions were not appropriate and/or needed for the staff member's current job position. There were also three instances noted where permission granted for a security group was out of date and the security group should have been deleted.

    In testing a specific job position, it was noted that there was not consistency in the access permissions granted to all employees in this category when though all held the same job title. The responsibility to review staff security access permissions is not currently assigned to any supervisory or managerial staff in IS.

    Recommendation
    That specific supervisory staff be assigned to review IS employee access permissions on a regular basis (e.g. quarterly) and whenever there is a change in a staff member's area of responsibility.

    Management Action Plan
    Agreed. Beginning in January 2011, reports showing access permissions for each IS staff member will be distributed to IS supervisors quarterly. Procedures will be developed for supervisors outlining:

    - *the response required to the quarterly reports and the timing of that response;*
    - *the notification required whenever an IS staff member changes an area of responsibility; and*
    - *the approval required for all changes to IS staff member access permissions.*

    There is no segregation of duties (for access to production environment via security groups) that separates staff that perform development work from staff that implement changes into the production environment (and vice versa) as these roles are not distinguished and/or defined in IS. In particular, staff with a noted permission have access across test, development and production environments. Changes can be made, tested, reviewed and implemented by the same staff member.

    Due to the lack of separation of duties between development/test and production environments, the City is not in compliance with PCI requirement 6.3.3 – Separation of Duties between Development/Test and Production Environments. The City is also not in compliance with PCI requirement 6.3.2 which stipulates access control to enforce the separation of development/test environments and the production environment.

    Recommendation
    That IS designate staff as either developers or implementers for specific servers and applications and the access to servers and applications be restricted to only appropriate staff members by utilizing security groups. For staff that are required to

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

provide after hours support to all areas, an after-hours support account (that is not generic) should be assigned and their support accounts should have the usage monitored on a regular basis.

Management Action Plan

Agreed. IS management fully endorses this recommendation as an industry best practice. It has been identified in previous external financial audits and is a requirement for the applications within the scope for the PCI compliance project. To date, IS has been unable to satisfy this recommendation for all of the City's applications because of the significant impact on the IS budget. Initial analysis of this recommendation estimates an increase of six (6) FTEs to the current complement. With additional staffing, this could be completed within 4 months of budget approval.

18. Change Testing
Observations
There are three types of changes: Standard, Pre-Approved and Emergency changes. As part of the audit, testing was performed on each of the three categories.

During testing, it was noted that RFC's are generally poorly completed. For every RFC selected for testing, at least one field was not properly filled out. Segregation of duties and access to the production environment are not addressed on the RFC form. As noted above, the responsibility for developing, testing and implementing changes is not separated. There is no indication on the form as to how an appropriate segregation of duties will be achieved for a particular change and who will ultimately be making the change to the production environment.

Documentation related to RFC's is not stored in a central location. The current haphazard storage of supporting documentation could lead to more downtime than necessary, if any issues are encountered with the change.

Given that RFC's are not required to have supervisory review prior to being presented to CAB, much work (including testing) may be completed for changes that may not be approved by CAB. Approval should be given to a change prior to a significant amount of work being carried out.

CAB only provides a high-level approval and does not review, in detail, the contents of the RFC such as the testing and back out plan details. The impact is that staff members may be working on developing and testing changes that may not be of the greatest importance to the IS and City's strategic plan and that their time should be being spent on other projects.

As time spent on each change is not tracked, there is no way to determine if the change was over budget and how much more staff time was spent than originally planned. The impact is that tradeoffs occur and other important work is not completed due to too much time being spent on changes. This could be prevented by monitoring time spent on specific changes.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

CAB minutes do not demonstrate that changes implemented in the prior week were discussed at the CAB meeting. There is no post-implementation review in the revised Change Management process for all standard and emergency changes made.

The Incident Management process (HEAT Ticket) and the Change Management process (RFC form) do not interconnect to provide an adequate audit trail of changes. Recurring incidents and a lack of integration of the two processes could lead to system downtime.

Recommendation
That the Change Management procedures be revised to address the deficiencies noted above. Management must ensure that the documentation and approvals as noted in the revised process are being carried out.

Management Action Plan
Agreed (in part). IS understands that the current Change Management procedures are lacking in rigour. In part, this is the result of IS staffing levels and thereby, the inability to devote the staff time recommended by ITIL best practices (see the response to item #20). This is also the result of not having completed other processes that compliment the Change Management process.

To address some of the "Change Testing" observations, the current process and documentation will be reviewed and updated for the purpose of incorporating the following enhancements by Q1 2011:

- *Add a preliminary step to the process to ensure the completeness and accuracy of the submitted form;*
- *Modify the RFC document such that it accommodates the distinct identification of the developer, tester and person responsible for promoting the change (however, note that IS does not have separation of duties – see the response to item #17);*
- *While consolidating all documentation in the same location as the RFC form may be desirable, in many instances it may not be practical. IS will enhance the Request for Change (RFC) form by adding a section where the user will identify the location and nature of the supporting documentation;*
- *Update the CAB minutes to capture all events that take place during the CAB meetings (again, this will be dependent on having the appropriate IS staff to accomplish this task – see the response to item #20); and*
- *Make the updates necessary to link incidents (HEAT tickets) to implement fixes which address or correct the logged incidents.*

With respect to other observations, IS disagrees. The objective of the Change Management process as it is currently implemented is defined as:

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

"The purpose of the Change Management Process is to ensure all changes to the IT production environment are properly planned, managed and reviewed prior to their implementation and release."

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

The Change Management process was not implemented for the purpose of evaluating the business merits of proposed changes, prioritizing the work required to implement them or collecting development metrics of the body of work being promoted. Therefore, the implementation of such recommendations, where appropriate, will be included in other processes and in the PPM application.

19. Scheduling
    Observation
    As the Change Management process does not define the frequency of scheduled windows when standard changes are to be made, this could lead to increased risk of downtime.

    Recommendation
    That IS implement a schedule and procedure for the Change Management process that addresses the criteria that changes must meet in order for them to be implemented 'as ready' and which changes must occur in the pre-defined window. Any standard changes should go through the Release Management process unless otherwise justified and approved.

    Management Action Plan
    Agreed. It would certainly be preferable to implement changes in specific well-defined windows. Consideration must be given to the complexity of multiple changes being implemented in one window and the need for user departments to implement quickly to meet their own project timelines. Another issue to consider is the ability of IS to combine the after-hours staff time required to implement this with the need to provide normal business day support.

    Currently, CAB utilizes a Change Management schedule that is reviewed at least weekly. By the end of 2010, CAB will review the feasibility of combining changes into regular maintenance windows. Criteria will be defined to address a maintenance window opportunity for a specific application or change and when it can be performed (using CRM input from user departments).

    This requirement will be reviewed in more detail as the Release Management process is being implemented.

20. Roles
    Observation
    In the IBM reports noted above, there were several roles that were defined for the Change Management process. During the audit, it was noted that the roles of Change Co-ordinator and Change Analyst have not been assigned. The duties and responsibilities carried out by these positions are important aspects of the staff attention required as changes are made.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

Recommendation
That the roles of the Change Co-ordinator and Change Analyst be assigned with responsibilities clearly defined.

Management Action Plan
Agreed. The Change Management roles identified in this recommendation require a broad knowledge of information technology and the capacity to carry out the duties associated with the function. To date, these have been a shared responsibility among existing IS staff. IS management is currently challenged with over-extending its current staff complement. Implementation of this will require the addition of one (1) FTE to oversee these change management responsibilities. IS will include this cost in the 2012 budget submission.

21. Tools and Reporting
Observation
It was noted that IS does not have a Change Management database (CMDB-Configuration Management Database) to enable tracking of standard emergency changes. Thus, change information is not widely available. This situation coupled with the fact that reporting options are not fully utilized in the HEAT database could put the IS environment at risk by inappropriate and/or incorrectly implemented changes to the production environment.

Recommendation
That IS investigate the various options for a Change Management database and reporting tool and implement the tools that best meet the City's needs.

Management Action Plan
Agreed. By Q4, 2011, IS will investigate and review tools to support the Incident Management and Change Management processes. When the cost of these tools is known, IS will include them in the capital budget (likely 2012). Ongoing support costs will be included in the following year's operating budget.

That staff be reminded to accurately complete and maintain change records in order to facilitate information gathering and queries.

Management Action Plan
Agreed. The current Change Management documentation is lacking in many respects. As stated in the Management response to recommendation #20, Change Management roles are shared resulting in inconsistent and incomplete change documentation. Other municipal IT departments dedicate one or more resources to the co-ordination of Change Management documentation. In the context of the current environment, the following steps will be taken by the end of November, 2010:

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

- *Advise the Change Advisory board (CAB) of this requirement;*
- *Ensure that supervisors vet all Request for Change (RFC) forms submitted to CAB; and*
- *Enhance the Request for Change (RFC) form by adding a section where the user will identify the location and nature of the supporting documentation.*

SECTION IV - RELEASE MANAGEMENT

22. Process
    Observation
    The Release Management process in IS has not been formalized. There is a lack of procedures and a formalized workflow. An approval policy for the Release Management process has not been drafted, implemented and enforced. No standards for the storage of supporting documentation for releases exist. Certain forms and specific evidence of testing is required to be retained. The process is being carried out on an ad-hoc basis with most release activity occurring in the PeopleSoft group. Procedures should include sign off criteria, levels and rules based on the risk and impact of requested release components.

    Given that there is no formal Release Management process, releases are not well integrated with the Change, Problem or Incident Management processes.

    Recommendation
    That the Release Management process be properly documented as noted in the IBM report and in line with industry best practices.

    Management Action Plan
    Agreed. Representatives from each section within IS will review the Release Management Process proposed by IBM. Based on this review, the process will be customized as required, to best serve the needs of IS and the departments to which IS provides service. The customized process will adhere to industry best practices and, where limitations exist (for example, due to staffing levels), compensating controls will be introduced into the documented process. This review will be undertaken in 2011.

23. Test Methodology
    Observation
    There is no formal testing methodology and best practices document that has been drafted and implemented. The level of testing documentation required should be commensurate with the risk and impact of the release. Since there is no defined methodology, testing does not occur consistently. Testing is also not likely to be occurring at a high level that meets the expectations of the IS division. Impact is that releases may be implemented without adequate testing, putting the City at risk for exposure to potential downtime.

    For example, the test environment is not always used for testing purposes. A recent copy of the production environment is occasionally used. Also, the test environment is not being

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT

updated on a regular basis. If the test environment does not mirror the production environment, problems could be encountered when the release is implemented due to the fact that testing may not have caught all potential issues.

Recommendation
That a testing methodology be drafted and implemented. It should include sign-off and approval levels depending on the risk and impact of the proposed release.

Management Action Plan
Agreed. IS agrees with this recommendation. However, the implementation of this recommendation requires the availability of adequate development, test and staging server environments. If the budget for the recommended Virtual Servers is approved in Q1, 2011, IS will implement the separate environments by Q4, 2011.

As explained in item #6, IS is implementing a testing and QA process. IS will review, design and implement a plan for development and test server refresh processes. Expected analysis and recommendations will be completed by Q3, 2011.

24. Implementation
Observation
It was noted during the audit that IS has not yet committed to fully implementing a Release Management process (including the items recommended above), assigning the required roles to staff members (Release Management Process Owner, Release Management Co-ordinator and Release Analyst), tracking and reporting Release Management information to management and integrating the process with the other ITIL processes.

A properly implemented Release Management process is considered a best practice (ITIL framework).

Recommendation
That IS commit to implementing a Release Management process by implementing the recommendations noted above.

Management Action Plan
Agreed. IS will engage the services of an external consultant to assist in the implementation of the release Management process. The consultant will participate in training the staff that will assume the roles of Release Management Co-ordinator and Release Analyst and will also develop the documents used to monitor and control the Release Management process. Target date – Q1, 2012 with an expected consultant cost of $60,000.

CITY OF HAMILTON
INTERNAL AUDIT REPORT 2010-07
INFORMATION SERVICES (IS) - BUSINESS PROCESS MANAGEMENT
MANAGEMENT RESPONSE TO AUDIT REPORT 2010-07

Notes:
Capital columns refer to estimated project implementation resource requirements
Ongoing columns refer to estimated operational resource requirements
FTE counts do NOT necessarily mean NEW resources, and also represent a sum of effort across many resources

"PM" scale:
  1 = Short term, quick fix, low cost - six months
  2 = Medium term, medium cost - within 12 months
  3 = Long term, major project, large cost - 2 to 3 years

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
A.1	That IS complete the implementation of the business processes as outlined in the IBM reports, customizing them as necessary to best meet the needs of the City.	Agreed. The IBM study was commissioned to assist with defining the job architecture and organization structure to meet current information technology needs within the City. The definition of high level IS business processes was added to the scope at the end of IBM's engagement to assist IS with planning for the new IS organization. IS management deferred further work on the IS business processes until the restructured organization was in place to support the processes. The restructuring of the extended management group is complete and	Q2 2012	0.00	0	0.00	0	3

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
		the next stage of restructuring (which involves the remaining positions) is expected to be complete by early 2011. At that time, IS will work on the development of a plan to complete the implementation of the IS business processes.						
A.2	That a reporting package be developed that will be compiled by IS staff and reported to IS management and ultimately the Director of Information Technology. The reporting package should consist of various metrics that are considered to be critical and best practice for each of the major business processes within IS (Incident, Problem, Change and Release	Agreed. Information Services will be developing performance metrics that complement and align with our business processes to be implemented throughout 2011. The following lists the metrics that will be implemented initially. As our processes mature, the reporting metrics may change.

Incident - total Heat tickets per month; total calls per month; and total calls abandoned per month.

Change - number of "Requests for Changes" forms submitted/approved/denied; number of pre approved changes implemented; number of Emergency Change requests submitted/approved/denied; and number of Changes completed on | Q4 2011 | 0.00 | 0 | 0.00 | 0 | 1 |

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
	Management). In addition, compiled metrics should be utilized as part of the employee performance management process, where applicable and appropriate.	schedule. Problem - heat tickets category; heat tickets by location; and heat tickets by department. Release - number of incidents caused by a release; % of releases that are completed as planned, rescheduled or delayed or require content revision.						
A.3	That time tracking be implemented within the IS division. A timesheet template or tool should be created or purchased and staff should be required to complete and submit a weekly timesheet to their direct supervisor. Supervisors would review timesheets and perform follow up, where necessary.	Agreed. IS is currently implementing processes and an application for Project Portfolio Management (PPM). The application includes a time sheet function that will allow us to create an employee specific time sheet for staff to track their work week to specific tasks. Supervisors will be responsible for creating the employee specific work/time sheet and following up with staff to ensure compliance. The application (including Time Tracking) will be in place and operational by the end of Q2, 2011.	Q2 2011	0.25	0	0.00	0	1

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
	Time would be accumulated on a project basis with total cost calculated upon each project completion.							
A.4a.1	That the ISWC meet more frequently (at least monthly). If, due to scheduling constraints, physical meetings are not possible, then innovative alternatives such as teleconferencing and email commenting should be considered.	Agreed. The new ISWC monthly meeting schedule will be in place by January, 2011.	Q4 2010	0.00	0	0.00	0	1

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
A.4a.2	That a Project Advisory Board be created and meetings held at least bi-weekly.	Agreed. The IS Management Team has developed a Terms of Reference for the Project Advisory Board (PAB) and formed a PAB comprised of members of the IS extended management team and also some of the Customer Relationship Managers (CRMs). This group has standing meetings scheduled every two weeks. The first meeting was Friday, October 1, 2010.	Q4 2010	0.00	0	0.00	0	1
A.4a.3	That IS research the cost of implementing a PPM tool and plan to include the required funding for implementation in an upcoming budget.	Agreed. IS is currently implementing processes and an application for Project Portfolio Management which is scheduled to be fully implemented within IS by end of Q2, 2011. This is an upgrade to the existing industry standard PPM tool, Eclipse, by Solution Q. The total expected cost of software and implementation is $93,000. Additional operating funding will be required in 2012 for on-going support.	Q2 2011	1.00	93,000	1.00	15,600	2
A.4b	That Standard Service Requests for all IS groups be defined in a procedures document that is	Agreed. A list of Standard Service Requests already exists for the Infrastructure & Operations and Security sections within IS since these groups handle the majority of these requests. This list will be reviewed and	Q2 2011	0.08	0	0.04	0	2

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
	related to the work intake process.	updated as required by Q1, 2011. A similar list of Standard Service Requests will be developed for all remaining IS service delivery teams by Q1, 2011. All Standard Service Requests will be incorporated into a Service Catalogue that will be released to the IS user community by Q2, 2011.						
A.4c.1	That a section for budgeted cost and actual cost and a section for variance analysis to indicate time that was over or under budget from the original plan be included in a revised version of the Customer Request form.	Agreed (in part). IS will record budgeted cost, actual cost and variance analysis for projects. However, IS does not believe that the Customer Request form is the best place for tracking this information. The Customer Request form is not a living document to be maintained throughout a project. It is a static document used in the initiation of the request. Instead, IS will be recording this information in the project and portfolio management processes and application to be implemented in Q2, 2011. This application will be used to track and report on costs and variances from budgeted costs for projects.	Q2 2011	0.00	0	0.00	0	2

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
A.4c.2	That this revised Customer Request form be implemented across IS (and therefore, across the City).	Agreed. The current version of the Customer Request form includes the estimated IS costs for implementing the project. This form is now required for all substantive IS project requests. Definitions for pre-approved or small projects will be complete by Q1, 2011. This will be implemented across the City in Q1, 2011.	Q1 2011	0.00	0	0.00	0	1
A.4d	That a Lead Time Policy be drafted, implemented and enforced across IS. This Policy should define standard lead times that are required for non-standard work based on priority levels. This Policy should also contain documentation of CRM (Customer Relationship Manager) roles within IS including responsibility for the awareness of	Agreed. The development of a CRM Lead Time Policy will be beneficial to both IS Clients and IS itself. A number of meetings have already taken place with departmental management teams to raise awareness of the CRM role and to promote a departmental model for project prioritization (prior to the review through the feasibility and initiation phases of the IS Intake Process and subsequently by ISWC). Completion of the remaining Intake Process components will help IS to arrive at acceptable and attainable standard lead times required to process a non-standard work request through to completion or rejection. The experience gained in practice with the IS Intake Process will allow IS to adjust for continuous improvement to	Q4 2011	0.42	0	0.00	0	2

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
	future departmental requests and needs on a more pro-active basis.	the CRM Lead Time Policy. The policy will be created as a sub-set of the efforts required to complete the Intake Process and is expected to be completed by Q4, 2011.						
A.4e	That IS draft and implement all three remaining portions of the intake process that have not yet been completed.	Agreed. This work is under way. However, the development and implementation of the work intake process for IS will be dependent on the implementation of the Project Portfolio Management (PPM) system in IS, as major aspects of the controls for these three sub processes are intended to be built into the PPM system. This exercise is estimated to take about .50 FTE full time for a period of 12-18 months to do the background preparatory work and create the draft processes. Direction provided by CMO, SMT and the ISWC may affect delivery timelines.	Q2 2012	0.50	0	0.00	0	2
A.5	That IS management create, regularly update and ensure staff compliance with procedures for	Agreed. The procedures identified in this Internal Audit report will be created and then regularly updated. IS Management will ensure that IS staff complies with these policies and procedures.	Q2 2012	0.00	0	0.00	0	2

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
	all of the business processes within IS.							
A.6.1	That IS make quality assurance part of the job responsibilities of a current staff member.	Agreed. A formal Quality Assurance function is required within IS. This will be a challenge for IS to implement within the constraints of current IS complement and budget. IS will assign a staff member and support the incorporation of QA methodologies and processes by Q4, 2011. This will require the selection, purchase and implementation of quality assurance and reporting tools that integrate into the development environment. IS has already undertaken initial investigation into this requirement. Based on research by Gartner Research (the leading IT industry analyst firm) and research conducted by our staff, the industry-leading applications will cost $150,000 to implement. This funding has been requested in the 2011 capital budget. To provide ongoing support for this application, an increase will also be required in the 2012 operating budget.	Q4 2011	0.50	150,000	0.50	20,000	3

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
A.6.2	That quality reviews for high-risk areas be run on a regular basis to deter and detect inappropriate activity.	Agreed. This is more of a security role than a QA role and the reviews will be implemented as part of ongoing security operating procedures by Q2, 2011.	Q2 2011	0.00	0	0.10	0	1
A.7	That IS draft and implement Service Level Agreements with other departments in the City.	Agreed (in part). Service Level Agreements (SLAs) can be very useful for common services which are repeated frequently such as Standard Service Requests. SLAs are not easily applied to services like business process analysis, custom application development or enterprise application upgrades where the scope of work can be vastly different from one instance to another. Furthermore, SLAs are most effective when customers pay for the services that they receive and there are set penalties (financial or otherwise) for failing to meet agreed to metrics. The current funding model for IS does not support this. The IS Service Catalog will be reviewed and updated as part of our 2011 work plan. IS will work with	Q2 2012	0.75	0	0.13	0	2

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
		departments and agencies to raise awareness of IS service offerings, then draft and implement SLAs for core IS services, including a performance measurement component. This exercise is estimated to take about 0.75 FTE full time for a period of 12-18 months to do the background preparatory work and create a draft SLA. Consideration to direction provided by the CMO, SMT and the ISWC may affect delivery timelines.						
B.8	That IS draft and implement a procedures manual adequate and detailed enough to be used as a training guide for staff.	Agreed. Work on this is under way with a number of procedural guides completed and stored on the IS N drive. Further development and review of these guides along with supplemental information (Service Desk scripts, etc.) will form the basis for a procedural document and training guide for IS staff. Consolidation of this information into a concise package is a task Information Services will complete in Q3, 2011. This will require one FTE for a period of three months.	Q3 2011	0.25	0	0.00	0	2

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
B.9	That the IS Division develop and implement procedures that link the Incident and Change Management process.	Agreed. When numerous similar/related incidents are reported to the Service Desk and a problem is suspected, Service Desk staff currently create a "Heatboard" alert to link all these incidents together. This Heatboard alert simplifies administration of these tickets (communications, documentation and closure) from a central point. Creation of a report from the Heatboard alert table in Heat would enable the linkage between Incidents, Problems and Change Management. As a first step towards development of this process, IS will investigate this option and implement a manual integration between Incidents and the Change Management processes in Q1, 2011.	Q1 2011	0.25	0	0.00	0	1
B.10	That IS draft and implement the above-noted documents to be included in the Incident Management process documents and procedures.	Agreed. See the response to item #9 above. In addition, Information Services will develop a process flow diagram to document the integration of the above noted report to the Change Management process in Q1, 2011.	Q1 2011	0.00	0	0.00	0	1

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
B.11	That IS research and implement a Knowledge Base tool for the Incident Management process.	Agreed. Knowledge Base functionality is commonly included in Incident Management and Service Level Management applications. IS currently uses the FrontRange Solutions application (HEAT) for logging and reporting incidents. This application was customized to best fit the specific environment and ITIL best practices. While a knowledge base exists within this application, it does not provide the best fit for the IS environment. Greater value would be derived by ensuring that the selection of a Knowledge Base tool integrates seamlessly with the procedures and practices that will be implemented in 2011 and 2012. As part of this development, Information Services will research a Knowledge Base tool that best meets these requirements in Q4, 2011. Implementation would proceed with capital funding in 2012. Implementation of this tool is projected to cost approximately $90,000 and will require four months of staff effort. An increase in the 2013 operating budget will be required to provide continued support for this new application.	Q4 2012	0.50	90,000	0.00	10,000	2

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
B.12	That a well-defined Problem Management process be implemented by IS.	Agreed. See the responses to items #9-11 above.	Q4 2012	0.00	0	0.00	0	3
B.13	That the above noted documents be developed by IS and included as part of the Problem Management process implementation.	Agreed. Along with process flow documentation for incidents and integration to Change Management, IS will develop a process flow diagram and associated documentation for the Problem Management process in Q3, 2011.	Q3 2011	0.25	0	0.25	0	3
B.14	That IS investigate the capabilities of the currently used HEAT system to enable a Knowledge Base feature (currently HEAT has a Knowledge Tree function that is not being utilized on a regular basis). If this is not feasible, IS should consider the various options for a Knowledge	Agreed. See the response to item #11 above.	Q4 2012	0.00	0	0.00	0	2

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
	Base tool and implement the tool that best meets the City's needs.							
B.15.1	That the Change Management procedures be revised to address the deficiencies noted above. After these procedures have been augmented, they need to be communicated to staff in order to set expectations and ensure that they are followed by all staff.	Agreed. Change Management procedures will be revised in co-ordination with the other related IS processes that will be implemented in 2011. With the newly-implemented CRM role, IS now has the opportunity to engage City departments proactively to prioritize changes based on business cases and to provide better communication back to change requestors. Without dedicated Change Management staff, it is a challenge to ensure formal communications, record-keeping and follow up. At this point, CAB members are relied upon to communicate planned changes to their staff. In the interim, IS will reinforce that expectation with CAB	Q4 2012	1.00	30,000	1.00	10,000	2

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
		members. Implementation of this recommendation will require the addition of one FTE to oversee these change management responsibilities. IS will include this in the 2012 operating budget submission (see the response to item #20). Some progress is being made to segregate development, test and production environments. However, the implementation of this recommendation requires the availability of adequate development, test and production server environments. If the budget for the recommended Virtual Servers is approved, the separate environments will be implemented by Q4, 2011.						
B.15.2	That all procedures be reviewed at least annually (with evidence, i.e. sign-off) and revised, as required.	Agreed. A formal yearly review of the Change Management processes will be implemented and will involve all CAB members. The review will target deficiencies and assign responsibilities for the process revisions as necessary. Sign-off will be included. This will be implemented in Q1, 2011.	Q1 2011	0.00	0	0.00	0	1

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
B.16.1	That LogRhythm tracking and reporting be changed to ensure that deletions of audit trails appear in reports. These reports should be reviewed by IS staff with appropriate follow up in a timely manner.	Agreed. This will be implemented in Q1, 2011.	Q1 2011	0.00	0	0.00	0	1
B.16.2	That file integrity monitoring software be implemented in all IS production environments.	Agreed. Automated detection of changes in the production IS environment requires automated tools such as file integrity monitoring software. The selection and implementation of this is included in the PCI compliance project. However, this covers only the environment that is "in-scope" for PCI. Implementing this on all servers will be a very significant and expensive undertaking. The anticipated cost to implement this will exceed $100,000. IS will investigate this in Q3, 2011 in order to include it in the 2012 capital budget. An increase in the 2013	Q2 2012	0.00	100,000	0.25	0	2

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
		operating budget submission will also be required for ongoing support of this application.						
B.16.3	That a procedure for reviewing logs relating to the security of the production environment be drafted and implemented. This procedure should specify the various types of reviews that should occur and which reports to use. The procedures should require a review frequency that is in compliance with PCI Requirement 10.6 (daily).	Agreed. This will be completed by the end of 2010 and will involve daily reviews for the in-scope PCI environment. Since this will be accomplished with existing IS security staff, reviews will be less frequent for systems outside of the PCI scope.	Q4 2010	0.00	0	0.00	0	1

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
B.17.1	That specific supervisory staff be assigned to review IS employee access permissions on a regular basis (e.g. quarterly) and whenever there is a change in a staff member's area of responsibility.	Agreed. Beginning in January 2011, reports showing access permissions for each IS staff member will be distributed to IS supervisors quarterly. Procedures will be developed for supervisors outlining: ▪ the response required to the quarterly reports and the timing of that response; ▪ the notification required whenever an IS staff member changes an area of responsibility; and ▪ the approval required for all changes to IS staff member access permissions.	Q1 2011	0.00	0	0.00	0	1
B.17.2	That IS designate staff as either developers or implementers for specific servers and applications and the access to servers and applications be restricted to only appropriate staff members by utilizing security	Agreed. IS management fully endorses this recommendation as an industry best practice. It has been identified in previous external financial audits and is a requirement for the applications within the scope for the PCI compliance project. To date, IS has been unable to satisfy this recommendation for all of the City's applications because of the significant impact on the IS budget. Initial analysis of this recommendation estimates an increase of six (6) FTEs	Q4 2012	6.00	100,000	6.00	20,000	3

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
	groups. For staff that are required to provide after hours support to all areas, an after-hours support account (that is not generic) should be assigned and their support accounts should have the usage monitored on a regular basis.	to the current complement. With additional staffing, this could be completed within 4 months of budget approval.						
B.18	That the Change Management procedures be revised to address the deficiencies noted above. Management must ensure that the documentation and approvals as noted in the revised process are being carried out.	Agreed (in part). IS understands that the current Change Management procedures are lacking in rigour. In part, this is the result of IS staffing levels and thereby, the inability to devote the staff time recommended by ITIL best practices (see the response to item #20). This is also the result of not having completed other processes that compliment the Change Management Process. To address some of the "Change Testing" observations, the current process and documentation will be reviewed and updated for the purpose	Q1 2011	0.00	0	0.00	0	2

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
		of incorporating the following enhancements by Q1 2011: - Add a preliminary step to the process to ensure the completeness and accuracy of the submitted form; - Modify the RFC document such that it accommodates the distinct identification of the developer, tester and person responsible for promoting the change (however, note that IS does not have separation of duties – see the response to item #17); - While consolidating all documentation in the same location as the RFC form may be desirable, in many instances it may not be practical. IS will enhance the Request for Change (RFC) form by adding a section where the user will identify the location and nature of the supporting documentation; - Update the CAB minutes to capture all events that take place during the CAB meetings (again, this will be						

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
		dependent on having the appropriate IS staff to accomplish this task – see the response to item #20); and - Make the updates necessary to link incidents (HEAT tickets) to implement fixes which address or correct the logged incidents. With respect to other observations, IS Disagrees. The objective of the Change Management process as it is currently implemented is defined as: "The purpose of the Change Management Process is to ensure all changes to the IT production environment are properly planned, managed and reviewed prior to their implementation and release." The Change Management process was not implemented for the purpose of evaluating the business merits of proposed changes, prioritizing the work required to implement them or collecting development metrics of the body of work being promoted. Therefore, the implementation of such recommendations, where appropriate,						

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
		will be included in other processes and in the PPM application.						
B.19	That IS implement a schedule and procedure for the Change Management process that addresses the criteria that changes must meet in order for them to be implemented 'as ready' and which changes must occur in the pre-defined window. Any standard changes should go through the Release Management process unless otherwise justified and approved.	Agreed. It would certainly be preferable to implement changes in specific well-defined windows. Consideration must be given to the complexity of multiple changes being implemented in one window and the need for user departments to implement quickly to meet their own project timelines. Another issue to consider is the ability of IS to combine the after-hours staff time required to implement this with the need to provide normal business day support.

Currently, CAB utilizes a Change Management schedule that is reviewed at least weekly. By the end of 2010, CAB will review the feasibility of combining changes into regular maintenance windows. Criteria will be defined to address a maintenance window opportunity for a specific application or change and when it can be performed (using CRM input from user departments). | Q4 2010 | 0.00 | 0 | 0.00 | 0 | 3 |

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
		This requirement will be reviewed in more detail as the Release Management process is being implemented.						
B.20	That the roles of the Change Co-ordinator and Change Analyst be assigned with responsibilities clearly defined.	Agreed. The Change Management roles identified in this recommendation require a broad knowledge of information technology and the capacity to carry out the duties associated with the function. To date, these have been a shared responsibility among existing IS staff. IS management is currently challenged with over-extending its current staff complement. Implementation of this will require the availability of one (1) FTE to oversee these change management responsibilities. IS will include this cost in the 2012 budget submission.	Q2 2012	1.00	0	1.00	0	2
B.21.1	That IS investigate the various options for a Change Management database and reporting tool and implement the tools that best meet the City's	Agreed. By Q4, 2011, IS will investigate and review tools to support the Incident Management and Change Management processes. When the cost of these tools is known, IS will include them in the capital budget (likely 2012). Ongoing support costs will be included in the following year's operating budget.	Q4 2012	1.50	50,000	0.20	10,000	2

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
	needs.							
B.21.2	That staff be reminded to accurately complete and maintain change records in order to facilitate information gathering and queries.	Agreed. The current Change Management documentation is lacking in many respects. As stated in the Management response to recommendation #20, Change Management roles are shared resulting in inconsistent and incomplete change documentation. Other municipal IT departments dedicate one or more resources to the co-ordination of Change Management documentation. In the context of the current environment, the following steps will be taken by the end of November, 2010: • Advise the Change Advisory board (CAB) of this requirement; • Ensure that supervisors vet all Request for Change (RFC) forms submitted to CAB; and • Enhance the Request for Change (RFC) form by adding a section where the user will identify the location and nature of the supporting documentation.	Q4 2010	0.00	0	0.00	0	1

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
B.22	That the Release Management process be properly documented as noted in the IBM report and in line with industry best practices.	Agreed. Representatives from each section within IS will review the Release Management Process proposed by IBM. Based on this review, the process will be customized as required, to best serve the needs of IS and the departments to which IS provides service. The customized process will adhere to industry best practices and, where limitations exist (for example, due to staffing levels), compensating controls will be introduced into the documented process. This review will be undertaken in 2011.	Q4 2011	0.50	0	0.00	0	3
B.23	That a testing methodology be drafted and implemented. It should include sign-off and approval levels depending on the risk and impact of the proposed release.	Agreed. IS agrees with this recommendation. However, the implementation of this recommendation requires the availability of adequate development, test and staging server environments. If the budget for the recommended Virtual Servers is approved in Q1, 2011, IS will implement the separate environments by Q4, 2011. As explained in item #6, IS is implementing a testing and QA process. IS will review, design and	Q4 2012	0.50	50,000	0.50	10,000	3

CORPORATE SERVICES - INFORMATION SERVICES (IS)
BUSINESS PROCESS MANAGEMENT-MANAGEMENT RESPONSE

Section/ Item	Recommendation	Management Response	Target	Capital FTE	Capital $	Ongoing FTE	Ongoing $	"PM" Scale
		implement a plan for development and test server refresh processes. Expected analysis and recommendations will be completed by Q3, 2011.						
B.24	That IS commit to implementing a Release Management process by implementing the recommendations noted above.	Agreed. IS will engage the services of an external consultant to assist in the implementation of the Release Management process. The consultant will participate in training the staff that will assume the roles of Release Management Co-ordinator and Release Analyst and will also develop the documents used to monitor and control the Release Management process. Target date – Q1, 2012 with an expected consultant cost of $60,000.	Q1 2012	0.50	60,000	0.00	0	3
			Totals	**15.75**	**723,000**	**10.97**	**95,600**	

Number of recommendations (acc. to "PM" scale):

1 (short term)	13
2 (medium term)	15
3 (long term)	9
Total recommendations	**37**

Community Partnership Program Advance Payments

Based upon the 2010 amounts, these payments will be distributed as monthly payments, pending Council approval. Any difference between the 2010 and 2011 approved grants will be adjusted, as necessary, throughout the remainder of the year:

ORGANIZATION	PROGRAM	2011 3 MONTHS ADVANCE	2010 APPROVED BUDGET
Community Information Services	Community Information Services	$20,307.00	$81,228
Salvation Army	Young Parent Resource	$26,000.00	$104,000