To: Chair and Members
Audit and Administration Committee
Outstanding Business Item No. M and Issue: N/A
CM07026

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Re: Audit of Management of Long-Term Contracts (CM07026)(City Wide)

Council Direction:
At its March 21, 2007 meeting, the Audit and Administration Committee passed the following motion:

“Staff were requested to report back in Q.3 regarding the feasibility of including an audit of the Management of Long-Term Contracts in 2007 and/or the early part of 2008.”

Information:
The 2007 Internal Audit work plan was approved by the Audit and Administration Committee on March 21, 2007 and City Council on March 28, 2007. This work plan was based on the time available from the staff resources at that time.

In the 2007 budget process, Council approved the addition of one auditor to the complement. This position was recently filled. With this added resource, the work plan has been amended to accommodate the review of two long-term contracts – one with TradePort International Corp. for the operation of the John C. Munro International Airport and other with Waste Management of Canada Corporation for the operation of the transfer stations and landfill site. Both of these reviews assessing the compliance with terms of contracts are scheduled to begin towards the end of 2007 with completion expected in the first quarter of 2008.
In addition, the following items previously included on a list of projects deferred due to the lack of adequate resources have been added to the 2007 Internal Audit work plan:

- Transit – compliance with Provincial gas tax requirements for expenditures
- Hamilton Public Library – fines and related income
- Day Care Fees
- Public Works Administration – boulevard cafés, encumbrances, banners, permanent closures
- Use of Standby/Call Out/Overtime

The audit of overstrength agreements is being postponed until a later cycle as the division is in the process of hiring an outside consultant to do an extensive review of this area, possibly overlapping with the scope of what Internal Audit had planned.

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