THE AUDIT AND ADMINISTRATION COMMITTEE PRESENTS REPORT 08-007 AND RESPECTFULLY RECOMMENDS:

1. **Follow Up of Audit Report 2006-04 - Homes for the Aged - Resident Fees and Trust Funds (CM08018) (City Wide) (Item 5.1)**

   That Report CM08018 respecting the follow up of Audit Report 2006-04, Homes for the Aged – Resident Fees and Trust Funds, be received.
2. **Treasurers’ Report 2007 Fiscal Year by Hewitt Associates (FCS08046) (City Wide) (Item 5.2)**

   (a) That report FCS08046 “Treasurer’s Report 2007 Fiscal Year by Hewitt Associates” be received for information;

   (b) That report FCS08046 “Treasurer’s Report 2007 Fiscal Year by Hewitt Associates” be forwarded to the Hamilton Future Fund Committee.

3. **Information Services Strategic Business Model (FCS08042) (City Wide) (Item 7.1)**

   That Information Report FCS08042 respecting Information Services Strategic Business Model be received.


   (a) That Report CM08019 respecting Audit Report 2007-14, Long Term Contract Review, Waste Management of Canada Corporation, be received; and

   (b) That the plans as identified in the management responses as detailed in Appendix “A” of Report CM08019 be approved and the General Manager of Public Works direct the appropriate staff to have these plans implemented.

5. **Quarterly Status Report on the use of Policy #10- Emergency Purchasing and Policy #11- Negotiations for the 1st Quarter 2008 (FCS08043) (City Wide) (Item 8.2)**

   That Information Report FCS08043 respecting the Quarterly Status Report on the use of Policy #10- Emergency Purchasing and Policy #11- Negotiations for the 1st Quarter 2008 be received.

6. **Development Charge Reserves Status Report as at December 31, 2007 (FCS08047) (City Wide) (Item 8.3)**

   That report FCS08047 “Development Charge Reserves Status Report as at December 31, 2007” be received for information.
7. **Review of Water/Wastewater Utility Back-Bill Adjustments (FCS08056) (City Wide) (Item 8.4)**

That Information Report FCS08056 respecting Review of Water/Wastewater Utility Back-Bill Adjustments be received.

8. **Audit Report 2007-15 - Ontario Works (OW) Non-Active Clients and Overpayments (CM08020) (City Wide) (Item 8.5)**

(a) That Report CM08020 respecting Audit Report 2007-15, Ontario Works (OW) Non-Active Clients and Overpayments, be received;

(b) That the management action plans as detailed in Appendix “A” of Report CM08020 be approved and the General Manager of Community Services direct the appropriate staff to have the plans implemented;

(c) That the Premier and the appropriate Provincial Ministries be contacted with a summary of the overpayment problems experienced with the Service Delivery Model Technology (SDMT), and that the same information be forwarded to AMO, Ontario’s Ombudsman, and the Auditor General for their support and consideration;

(d) That this information be forwarded to Hamilton’s MPPs;

(e) That staff be requested to report back on a regular basis respecting program conditions and development.

9. **Hamilton Status of Women Sub-committee – Member Resignation (Item 9.1)**

That the resignation of Junping Chen from the Hamilton Status of Women’s Committee be received.

10. **Information Technology Services Restructuring (FCS08041) (City Wide) (Item 12.1)**

(a) That report FCS08041 “Information Technology Services Restructuring” be received for information.

(b) That Report FCS08041 remain confidential pursuant to Section 8.1, Subsection B of the City’s Procedural By-Law and Section 239 of the Ontario Municipal Act, as the subject matter pertains to personal matters about an identifiable individual including municipal or local board employees.
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 8.4 was Review of Water/Wastewater Utility Back-Bill Adjustments (FCS08056) (City Wide)

(ii) Item 7.1, Audit Report 2007-15 - Ontario Works (OW) Non-Active Clients and Overpayments (CM08020) (City Wide), was removed from the Presentation section and added as Discussion Item 8.5. Item 7.2, Information Services Strategic Business Model (FCS08042) (City Wide), was renumbered as Item 7.1.

On a motion, the agenda was approved as amended.

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) MINUTES (Item 3)

(i) Minutes of the Audit and Administration Committee meeting held on May 21, 2008.

The minutes of the Audit and Administration Committee meeting held on May 21, 2008 were approved as presented.

(d) PRESENTATIONS (Item 7)

(i) Information Services Strategic Business Model (FCS08042) (City Wide) (Item 7.1)

Maria McChesney, Director of Information Technology Services, presented some of the highlights of Report FCS08042 to Committee in a PowerPoint presentation.

Joe Rinaldo, General Manager of Finance and Corporate Services, advised Committee that the Electronic Records Management System is currently in progress and will be implemented in the first quarter of next year. He will provide an update on that project.
On a motion, the presentation was received.


Committee noted that a few items were non-compliant and requested a report back to Committee from the General Manager’s office on the non-compliant issues.

(f) Review of Water/Wastewater Utility Back-Bill Adjustments (FCS08056) (City Wide) (Item 8.4)

Joe Rinaldo, General Manager of Corporate Services, provided an overview of current practices. He advised Committee that he is working with the Building and Licensing Division, the Water and Wastewater Division, and Horizon Utilities to review and improve procedures.

Joe Rinaldo further advised that, based on discussions with Horizon Utilities and requests from residents for the two-year interest-free payment plan, the two-year plan will be offered as the default plan in future. Additionally, the City is willing to work with individuals who require payments to be spread out over a longer period of time due to compassionate issues.

Joe Rinaldo advised Committee that he will investigate and communicate back to Council on whether there are people requesting a longer payment plan on compassionate grounds and whether the City should have a defined compassionate program.

Some discussion ensued, including but not limited to the following points:

- Property owners should not be charged if the City makes an error.
- Issues have also come up with respect to back-bills for missing remote transmitters on water meters and these should be investigated.
- The City needs to be consistent and treat people equally. Other taxpayers should not have to soak up the costs of these errors.
- Very few homes are affected by this.
- The City is already forgoing some lost revenue by not billing for anything earlier than two years.
- Instituting a compassionate payment plan for those who need it is the right step.
- People in rural areas have paid for water and sewer services from the City on their taxes when they weren’t hooked up. The City should provide a report on how many people have been affected and should repay them.

Joe Rinaldo advised that, if provided with specific properties, he can
investigate whether rural owners are still paying the automatic improvement charge while disconnected from City services.

(g) Audit Report 2007-15 - Ontario Works (OW) Non-Active Clients and Overpayments (CM08020) (City Wide) (Item 8.5)

Ann Pekaruk, Director of Audit Services, provided an overview of the report. She advised of several issues with the current computer tracking program, including:

- Inability to differentiate between genuine and fraudulent overpayments
- Inability to indicate which overpayments were transferred to Hamilton by another municipality due to portability
- Inconsistent statistics
- Overstating overpayments

Jo-Ann Priel, General Manager of Community Services, advised that staff will be bringing forward a report respecting a write-off policy for small overpayment amounts. She also advised that she will report back to Committee on the overpayment amounts collected in 2007.

Item 8.5 was amended by adding the following recommendations:

(c) That the Premier and the appropriate Provincial Ministries be contacted with a summary of the overpayment problems experienced with the Service Delivery Model Technology (SDMT), and that the same information be forwarded to AMO, Ontario’s Ombudsman, and the Auditor General for their support and consideration;

(d) That this information be forwarded to Hamilton’s MPPs;

(e) That staff be requested to report back on a regular basis respecting program conditions and development.

(h) Information Technology Services Restructuring (FCS08041) (City Wide) (Item 12.1)

Item 12.1 was approved as amended in open session.

Item 12.1 was amended by adding the following recommendation:

(b) That Report FCS08041 remain confidential pursuant to Section 8.1, Subsection B of the City’s Procedural By-Law and Section 239 of the Ontario Municipal Act, as the subject matter pertains to personal matters about an identifiable individual including municipal or local board employees.
(i) ADJOURNMENT (Item 13)

The Audit and Administration Committee adjourned at 10:50 a.m.

Respectfully submitted,

Councillor B. Bratina Vice-Chair
Audit and Administration Committee

Mary-Ann Meyer
Legislative Assistant
June 4, 2008