

Presented To:	Audit Committee
Presented:	Tuesday, Oct 22, 2013
Report Date	Friday, Oct 11, 2013
Type:	Presentations

## For Information Only

### Audit Follow Up - Status Update

#### Recommendation

For Information Only

#### BACKGROUND

This is the first follow up report provided to Council following improvements made to our process over the last six months. In August of 2013, the Auditor General introduced an updated Audit Report format, as well as changes to our audit follow up process.

In our reports, we no longer identify audit findings, they are audit observations. We are also shifting from a focus on audit recommendations, to a focus on management's action plans. In our reports we will no longer make recommendations to management. Instead, we work with management, asking them to develop action plans that they own, and are committed to. Management's assignment of an action plan lead, and the expected timing are clearly identified in the audit report. The focus is on management's accountability for action and improvement.

This audit report format sets the stage well for audit follow up. The Auditor General's Office maintains an ongoing audit follow up process which involves a consolidation of management's own self assessment of any accomplishments, and the status of their action plans. Periodic reports are provided to Council with the aim of documenting the actions taken, lessons learned, progress milestones, cost savings, efficiencies and accomplishments recognized by management while following through on their action plans. The self assessment reports are not evaluations or assurances provided by the auditor. Instead, the self assessments provided in the "Actions taken, results and /or actions planned" section are unedited, and in management's own words.

The Auditors still reserve the ability to conduct our own progress assessments and progress audits according to the follow up process described below.

#### THE FOLLOW UP PROCESS

##### 1. Self-Assessment Follow up

In most cases, initial follow up will be in the form of a self assessment by program managers. The Auditor General's Office will send a self-assessment form to program managers, in which management will be able to describe the progress that they have made in implementing the Auditor General's Office recommendations and your plans going forward. Management's self assessment will then be published unedited and in their entirety.

Signed By

**Auditor General**

Brian Bigger

Auditor General

*Digitally Signed Oct 11, 13*

Most initial follow-ups will be conducted approximately one year after the report is issued although this time frame may be shortened at the discretion of the Auditor General's Office, or the request of Council.

The Auditor General's Office expects that most recommendations will be cleared with the first follow-up. However, subsequent follow-ups may be required on outstanding recommendations or certain key recommendations that have not been satisfactorily addressed.

The Auditor General will allow divisional staff two weeks to provide comments on the self assessment form.

## 2. Subsequent Self-Assessment Follow up

Published within one year of the initial follow-up, subsequent follow-ups will also be unedited self-assessments provided by management. In order to remain relevant, successive follow-ups will be conducted when necessary, generally up to a maximum of two years.

The Auditor General will allow divisional staff two weeks to provide comments on the self assessment form.

## 3. Progress Assessments

A third form of follow-up will involve the Auditor General's Office assessing the organization's self-assessment of all or certain recommendations to confirm their reliability. The results of progress assessments will be published in the next follow up report.

## 4. Progress Audits

A fourth form of follow-up will be a progress audit whereby audit level assurance will be provided as to the validity of the entity's self-assessments. This will involve conducting the entire audit again.

Given the resources required to complete this form of assessment, the Office has yet to conduct work of this nature and would do so only when prudent.

## THE STATUS OF MANAGEMENT'S ACTION PLANS

Audit Name	Year Report Was Issued	Management's Self Assessment Of The Status Of Their Action Plans And Accomplishments				
		Total # Of Action Plans	Fully or Substantially Implemented	Alternative Action Taken	Partially Implemented	No Substantial Action Taken
Roads Miscellaneous Winter Maintenance	2010	32	29	0	3	0
Cash Handling - Transit & Parking	2010	44	44	0	0	0
Shift Trading – Transit, Fire , EMS	2011	8	8	0	0	0
Accounts Payable	2011	19	17	1	1	0
Conventional Transit	2011	16	9	6	1	0
Handi Transit	2011	6	3	3	0	0
Transit Kiosk	2011	21	16	3	2	0
Water Main Emergency Repairs	2012	11	10	1	0	0

Roads – Impact Of Changes To Road Design	2012	13	10	0	3	0
User Fees – Sports Fields	2012	9	3	0	2	4
<b>Total</b>		<b>179</b>	<b>149</b>	<b>14</b>	<b>12</b>	<b>4</b>
% By Status		<b>100%</b>	<b>83%</b>	<b>8%</b>	<b>7%</b>	<b>2%</b>
% Partially, Substantially, or Fully Completed				<b>98%</b>		

## **SELF ASSESSMENT FOLLOW UP REPORTS (Compiled By The Auditors)**

Appendices attached to this report contain detailed Follow Up Self Assessment reports for the following audit reports:

- Roads - Miscellaneous Winter Maintenance
- Accounts Payable
- Conventional Transit
- Handi Transit
- Transit Kiosk
- Water Main Emergency Repairs
- Roads – Impact Of Changes To Road Design
- User Fees – Sports Fields

## **PROGRESS ASSESSMENT REVIEWS (Conducted By The Auditors)**

Appendices attached to this report also contain the results of the Auditor General's progress assessment reviews with detailed Follow Up Progress Assessment Reports for selected observations and action plans from the following audit reports:

- Water Main Emergency Repairs
- Roads – Impact Of Changes To Road Design

### **Water Main Emergency Repairs**

Our follow up test procedures indicated that expected value for money improvements related to excavation, for maintenance and repairs of water and waste water systems have been realized.

- The standard water /waste water excavation repair crew size had been reduced by one.
- Three sets of trench boxes had been purchased.
- We were advised that the City's hydro excavation equipment (two units associated with the Water / Waste Water Distribution Division), were in high demand. In addition to both of the City's hydro excavators, we also observed the use of contractor hydro excavation equipment to complete system maintenance using the trench box excavation method.
- We were advised that the trench boxes were well received by construction crews, and had been used in approximately 80% of excavation repairs completed in the month prior to our review.
- We observed that due to the introduction of excavation methods using trench boxes and hydro excavation:
  - crew and equipment repair timelines (efficiency – freeing up productive hours for licensed workers) were significantly reduced,
  - road cut dimensions with the trench box approach were as little as four percent of the area

required with a sloping method (size of asphalt repairs on roads)

- with the trench box method, damage to surrounding curbs, sidewalks, medians, retaining walls, lawns, trees etc. was avoided (economy / effectiveness – significantly reducing remediation costs)

### **Roads – Impact Of Changes To Road Design**

Our follow up test procedures indicated that contractor adherence to terms and conditions of the construction contract, OPSS and GSSS were much improved.

- We reviewed tests for base asphalt on one project (Eng 13-16 Lasalle & Notre Dame Intersection) and surface asphalt on three projects (Eng 12-1 Robinson St, Eng 11-17 Bancroft Drive, ENG 12-16 Neimi Road), laid in the 2013 construction season
- The proper mix of asphalt was laid for all four projects and all 22 asphalt tests reviewed.
- Asphalt sample testing was supported by a pre-approved JMF for all four projects and all 22 asphalt tests reviewed
- Asphalt mix testing tolerances were based on OPSS 310 for all four projects and all 22 asphalt tests reviewed
- One of 22 (5%), asphalt mix test results completed by the City Laboratory was identified as out of tolerance in accordance with the JMF and OPSS 310.
  - An improvement to the CGS quality assurance process includes the collection of two asphalt samples. (previously only one sample was taken at each sample point)
  - The out of tolerance result was communicated to the contractor as well as CGS Construction Services Management and the Construction Services Inspector.
  - In follow through for this out of tolerance result, a second sample was provided to an independent laboratory for testing. The independent “referee” test indicated that the second asphalt sample was acceptable. (the referee sample was within OPSS 310 tolerances in comparison to the pre approved Job Mix Formula)

### **CONCLUSION**

Ninety-eight percent of audit recommendations partially, substantially, or fully completed. These reports confirm that management's (and suppliers) response to audit observations, and a focus on action plans, has resulted in encouraging assessments of progress and improvements impacting all areas of the organization.



---

## MEMO

**Date:** August 22, 2013

**To:** Nick Benkovich – Director of Water/Wastewater Services  
**CC:** Doug Nadorozny, Tony Ceccutti, Cheryl Beam, John Royer  
**From:** Brian Bigger, Auditor General

**Re: Audit Follow Up – Emergency Water Main Repairs – 2013  
Excavation / Trench Box Use**

### SUMMARY

#### Background

- The Auditor General's January 2012 audit report for Emergency Water Main Repairs identified the need to improve adherence to Ontario Health & Safety Act for excavations.
- The audit report also identified opportunities to improve value for money through the purchase and use of trench boxes with hydro excavation equipment for water and waste water system repairs and maintenance. Although management was certainly aware of excavation practices using trench boxes and hydro excavation, the audit analysis and report to Council served as a catalyst in implementing changes and improvements.

#### Scope

- Observe water / waste water repair excavations using trench boxes in the 2013 construction season.

#### Objectives

- Determining whether action plans related to acquisition and use of trench boxes have been "Fully or Substantially Implemented".
- Determining whether expected outcomes have occurred.

#### Methodology

- We interviewed water / waste water construction staff about improvements implemented in the CGS water and waste water main excavation and repair process.
- We selected four construction projects where planned water system valve maintenance occurred in August 2013.
- Observed and documented the excavation process for each maintenance project.
- Reviewed accomplishments with supervisors.

#### GAGAS Compliance

We conducted our review in accordance with generally accepted government auditing standards. Those standards require that we adequately plan for the audit; properly supervise audit staff; obtain sufficient,

appropriate evidence to provide a reasonable basis for our findings and conclusions; and prepare audit documentation related to the planning, conducting, and reporting for each audit. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our review objectives.

### **Risks / Opportunities We Evaluated**

- City maintenance crews use of trench boxes in completing water system valve repairs.
  - Labour and equipment used in excavations using trench boxes
  - Adherence to Health and Safety Act for trench box excavations
  - Achievement of efficiencies expected from use of trench boxes
  - Achievement of economies expected from use of trench boxes

### **Elements Operating Effectively**

- Our follow up test procedures indicated that expected value for money improvements related to excavation, for maintenance and repairs of water and waste water systems have been realized.
  - The standard water /waste water excavation repair crew size had been reduced by one.
  - Three sets of trench boxes had been purchased.
  - We were advised that the City's hydro excavation equipment (two units associated with the Water / Waste Water Distribution Division), were in high demand. In addition to both of the City's hydro excavators, we also observed the use of contractor hydro excavation equipment to complete system maintenance using the trench box excavation method.
  - We were advised that the trench boxes were well received by construction crews, and had been used in approximately 80% of excavation repairs completed in the month prior to our review.
  - We observed that due to the introduction of excavation methods using trench boxes and hydro excavation:
    - crew and equipment repair timelines (efficiency – freeing up productive hours for licensed workers) were significantly reduced,
    - road cut dimensions with the trench box approach were as little as four percent of the area required with a sloping method (size of asphalt repairs on roads)
    - with the trench box method, damage to surrounding curbs, sidewalks, medians, retaining walls, lawns, trees etc. was avoided (economy / effectiveness – significantly reducing remediation costs)

### **Elements Not Operating Effectively**

- None observed through our follow up test procedures.

We thank Staff for their cooperation and assistance in the completion of this audit follow up review.

Regards



*Brian Bigger, CGA, CRMA*



---

## MEMO

**Date:** August 23, 2013

**To:** Kevin Shaw – Director Engineering Services

**CC:** Doug Nadorozny, Tony Ceccutti, David Shelsted, Lee Laframboise

**From:** Brian Bigger, Auditor General

### **Re: Audit Follow Up -Changes In Road Design – 2013 Asphalt Test Results**

#### **SUMMARY**

##### **Background**

- The Auditor General's 2012 audit report for Changes In Road Design identified the need to improve CGS quality assurance procedures and adherence to OPSS 310 (Ontario Provincial Standards and Specifications) for asphalt.

##### **Scope**

- Review of a sample of CGS Laboratory test results for asphalt laid in 2013 noting follow-through procedures supporting enhanced quality assurance such as testing against CGS authorized asphalt JMFs (Job Mix Formulas) for results against tolerances defined in OPSS310.

##### **Objectives**

- Determining whether action plans related to asphalt testing have been “Fully or Substantially Implemented”.
- Determining whether expected outcomes have occurred.

##### **Methodology**

- We interviewed staff about improvements implemented in the CGS asphalt “Quality Assurance” testing process.
- We selected four construction projects where asphalt was laid in 2013.
- Obtained copies of contract specifications, pre-approved JMFs, CGS laboratory test results for asphalt, and any memo's or emails indicating follow through reporting of deficiencies.

##### **GAGAS Compliance**

We conducted our review in accordance with generally accepted government auditing standards. Those standards require that we adequately plan for the audit; properly supervise audit staff; obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions; and prepare audit documentation related to the planning, conducting, and reporting for each audit. We believe that the

evidence obtained provides a reasonable basis for our findings and conclusions based on our review objectives.

### **Risks / Opportunities We Evaluated**

- Contractor's adherence to terms and conditions of the construction contract, OPSS and GSSS.
  - proper mix of asphalt laid in accordance with tender and approved JMF
  - asphalt mix testing supported by a pre-approved JMF
  - asphalt mix test result tolerances in accordance with OPSS 310
  - concerns and out of tolerance results communicated to contractor as well as CGS Construction Services Management and inspectors

### **Elements Operating Effectively**

- Our follow up test procedures indicated that contractor adherence to terms and conditions of the construction contract, OPSS and GSSS were much improved.
  - We reviewed tests for base asphalt on one project (Eng 13-16 Lasalle & Notre Dame Intersection) and surface asphalt on three projects (Eng 12-1 Robinson St, Eng 11-17 Bancroft Drive, ENG 12-16 Neimi Road), laid in the 2013 construction season
  - The proper mix of asphalt was laid for all four projects and all 22 asphalt tests reviewed.
  - Asphalt sample testing was supported by a pre-approved JMF for all four projects and all 22 asphalt tests reviewed
  - Asphalt mix testing tolerances were based on OPSS 310 for all four projects and all 22 asphalt tests reviewed
  - One of 22 (5%), asphalt mix test results completed by the City Laboratory was identified as out of tolerance in accordance with the JMF and OPSS 310.
    - An improvement to the CGS quality assurance process includes the collection of two asphalt samples. (previously only one sample was taken at each sample point)
    - The out of tolerance result was communicated to the contractor as well as CGS Construction Services Management and the Construction Services Inspector.
    - In follow through for this out of tolerance result, a second sample was provided to an independent laboratory for testing. The independent "referee" test indicated that the second asphalt sample was acceptable. (the referee sample was within OPSS 310 tolerances in comparison to the pre approved Job Mix Formula)

### **Elements Not Operating Effectively**

- None observed through our follow up test procedures.

### **Value For Money Considerations** (no formal response from management is required)

- During our follow up review, we noted that an opportunity exists to improve the process used to record, communicate and report test results. Currently test information is manually recorded, calculated and copied a number of times. A desktop computer may improve the process.

We thank Staff for their cooperation and assistance in the completion of this audit follow up review.



Regards

A handwritten signature in black ink, appearing to read "B Bigger".

**Brian Bigger, CGA, CRMA**  
Auditor General for the City of Greater Sudbury



## Audit Follow Up Report

September 23, 2013

To: Pre Audit Sub Committee  
From: Brian Bigger, Auditor General

### Re: Roads – Miscellaneous Winter Maintenance

Audit Report Released	June 2010
Original # Of Recommendations	32
# Of Action Plans Previously Completed	26
# Of Action Plans Now Closed	29
# Of Action Plans On Next Follow Up	3
Status As Of June 30, 2013	On Track

<b>Recommendation and Summary Of Progress</b> (Note: Self assessment conducted by Roads Division)	Self-assessed Status
--	-------------------------

<b>Recommendation 1 (a)</b>	
As it is Management’s responsibility to establish and to ensure compliance with internal controls and bylaws, Infrastructure Services Management should obtain clarification of City policies through Financial Services and Legal Services, to determine an actual percentage and dollar threshold over which prescribed Council approval would be required. In addition, changes to Council approved budgets over this threshold amount should not be allowed unless first approved by Council.	Fully or Substantially Implemented
<u>Original Management Response</u> We agree with the need to have a clearer policy on budget reallocations. Finance has been working on a budget reallocation policy which will be presented to Council in the fall of 2010. In emergency situations such as that which were experienced in the spring of 2009 with potholes, we will strive to ensure that all components of the Purchasing By-law for Emergency Purchases are achieved.	
<u>Actions Taken, Results and /or Actions Planned</u> The current Operating Budget Policy (approved by council in August 2011) has addressed the process required for budget reallocations.	

### Recommendation 1 (b)

It is Management's responsibility to establish and to ensure compliance with internal controls and bylaws. Purchasing by-law 2006-270 is clear and specific as it provides circumstances and thresholds where the General Manager is required to report to Council, or where prescribed Council approval would be required. Infrastructure Management should obtain clarification of City policies through Financial Services and Legal Services to improve awareness and understanding of key financial controls and bylaws impacting their operations.

Fully or  
Substantially  
Implemented

#### Original Management Response

An informal email notification was provided to Council March 19, 2009. In future, staff will follow up with a formal Council Report recognizing the unbudgeted expenditure. Staff proceeded in the most expedient and economical means to address a serious problem which had developed into an emergency, in order to deal with the pothole crisis which was occurring at the time. Staff will pursue the issue of "substantial performance certificates" with Legal and Construction Services and establish a formal process for completion of contracts to avoid / prevent a similar reoccurrence.

#### Actions Taken, Results and /or Actions Planned

Roads and Transportation staff are aware of the current policy, including the Purchasing By-law and the recent Capital Policy.

### Recommendation 2 (a)

Due to the age of the software and limited ability within current MMMS to associate activities and costs to specific road assets or road segments, management should continue to investigate other available programs in the market place that could be used to support budget planning, work order management, productivity tracking and cost analysis to the infrastructure asset level.

Partially  
Implemented

#### Original Management Response

Staff agree that a more updated software program should be pursued to better refine the MMMS system. A Project Development Team is being established to pursue a replacement for the current MMMS system and a new system is expected to be in place by early 2012.

#### Actions Taken, Results and /or Actions Planned

Staff is currently involved with the implementation of a new Computerized Maintenance Management System (CMMS) to replace the legacy MMMS. Phase 1 is scheduled to be implemented by the Spring or 2014. Phases 2 and 3 will follow. The CMMS will include these functions.

### Recommendation 3 (a)

It is recommended that the City continue to extend the implementation of an AVL/GIS system that will capture the entire roads infrastructure. This will reduce the need for paper based road patrol reports as the information can be captured timely and accurately, right into GIS. Therefore, our road data will be available for reference purposes. It will be complete, accurate and timely. This information will also assist in the investigation of claims by reducing the amount of time required to trace through paperwork. Since an AVL/GIS system contains all the maintenance information, it can also be used to track potholes and plan the most efficient and cost effective repair for a section of road. This will ensure that once a pothole is identified, it is repaired according to minimum maintenance standards. The system should handle work orders, in order to track the productivity of the crews.

Partially  
Implemented

#### Original Management Response

Staff agree. Staff have been investigating an electronic road patrolling system which would be tied to the ACR system. It is anticipated this will be in place with the new MMMS system.

Actions Taken, Results and /or Actions Planned

Council approved the purchase of new AVL hardware / software on May 28, 2013, which includes the development of an electronic Road Patrol application. Staff will commence work on the project in the spring/summer of 2013.

**Recommendation 3 (b)**

Management needs to improve procedures related to road patrol documentation to ensure regulatory requirements for patrols and repairs are consistently met.

Partially Implemented

Original Management Response

Paper copy road patrol records are being kept and are continuously being improved. Staff follow the province's road patrol documentation process. Staff have been investigating an electronic road patrolling system which would be tied to the ACR system. It is anticipated that this will be in place with the new MMMS system.

Actions Taken, Results and /or Actions Planned

Council approved the purchase of new AVL hardware / software on May 28, 2013, which includes the development of an electronic Road Patrol application. Staff will commence work on the project in the spring/summer of 2013.

**Recommendation 4 (f)**

A thorough analysis of cost and productivity should be done by area, for the costs for using internal crews on straight time, and overtime as compared to the use of contractors. This information should be used in scheduling so that the most cost effective method is achieved.

Fully or Substantially Implemented

Original Management Response

Cost alone is not the only factor to consider when bringing in contract crews. Other factors are considered when assigning work. Some examples are: Staff must fully utilize permanent City employees prior to having the work done by contractors. The pothole patching contract is intended to supplement city crews when they cannot keep up with the demand and meet the minimum maintenance standards. Overtime costs for city crews must be considered outside of their regular working hours. The City's Union agreement limits our employees to twenty hours of overtime per week. This limits available hours for other essential winter control activities.

Actions Taken, Results and /or Actions Planned

Staff continue to follow this recommendation and the actions previously outlined.



Brian Bigger, CGA, CRMA

Auditor General for the City of Greater Sudbury



## Audit Follow Up Report

September 23, 2013

To: Pre Audit Sub Committee  
From: Brian Bigger, Auditor General

Re: Accounts Payable

Audit Report Released	May 2011
Original # Of Recommendations	19
# Of Action Plans Previously Completed	13
# Of Action Plans Now Completed	18
# Of Action Plans On Next Follow Up	1
Status As Of June 30, 2013	On Track

<b>Recommendation and Summary Of Progress</b> (Note: Self assessment conducted by the Finance Department)	Self-assessed Status
--	-------------------------

<b>Recommendation (a)</b> Management needs to establish written policies and procedures that incorporate business processes in addition to existing directions on how to use the PeopleSoft system. The manual should include policies and procedures regarding Vendor Setup and Management, Vendor Invoices (Invoice Processing Policy), Disbursements (Cheque disbursement policy and payment policy) and Month End Reporting requirements. In addition to the PeopleSoft policies manual, specific standards for entering an invoice should be implemented. This should include standards for leading zeros, alpha-numeric characters, etc. Furthermore, a standard process for creating an invoice number where one does not exist should create the same unique number no matter who processes the invoice. If invoice numbers are entered in a standard convention, the PeopleSoft duplicate check would increase the likelihood that the duplicate invoice would be detected at the invoice entry stage, since the majority of duplicate errors were due to two variations of the same invoice number.	Fully or Substantially Implemented
--	--

Original Management Response

Accounts Payable currently has procedures documented, and Accounts Payable can access these online, for: Invoice processing, vendor maintenance, invoice look-up, EFT instructions, Vendor look-up, And many others including cheque runs, bank transfers, etc. Management agrees with the auditor's conclusion regarding the need to establish written policies and procedures that incorporate both business processes as well as PeopleSoft system processing procedures. Management agrees with the auditor's comments regarding invoice entering and will ensure that the policies and procedures manual (as documented in 1 a) above will include specific standards for entering invoices. Accounts Payable policies and procedures will be expanded to incorporate business processes as well as system processes. The policies and procedures are targeted to be updated by October 31, 2011.

Actions Taken, Results and /or Actions Planned

Finance has been updating and developing written policies over the past few years. Examples include, Purchasing Authority Policy (Completed May 2011) , Vendor Master Policy (Completed Q1 2013); Invoice Processing Policy (Completed Q2 2013) and Payment Processing Policy (Completed Q3 2013).

**Recommendation (d)**

There was a high volume of cheques that were voided for reimbursement for training due to the employee requesting funds prior to attending an event, but then not attending. There is a cost to the City for both processing the cheque request, following up on the travel advances, and also for voiding the printed cheque. Consideration should be given to reimbursing employees for training once the training has been completed, and not prior to the session.

Fully or Substantially Implemented

Original Management Response

During the 33 months audited there were 70 cheques voided for this reason. Travel advances and travel reimbursement are administered in accordance with the most recently (April 1, 2010) approved Travel Policy. The Travel Policy encourages employees who do not have travel procurement cards to use personal credit cards to pay for expenses and then seek reimbursement after the travel has occurred. Where an employee does not wish to use a personal credit card, the City will provide a travel advance on the request and approval of the supervisor. Travel advances are not immediately expensed but reside as an asset (advance receivable) on the balance sheet awaiting completion of the course/conference and the filing of a travel expense claim form. Finance staff follow up on all travel advances to ensure they are properly removed from the balance sheet through cancellation of the cheque or through final expense claims.

Actions Taken, Results and /or Actions Planned

Risk is mitigated by monthly reconciliation of Travel Advance acct and by implementation of "open items" (part of the FIS upgrade).

**Recommendation (e)**

It is recommended that Management review the functionality of ACL and consider implementing this or similar detective controls in order to monitor transactions on a daily basis and identify duplicate payments.

Alternative Action Taken

Original Management Response

Accounts Payable does have both preventive and detective controls in place and the key controls are highlighted in the overall management response at the beginning of this report. There is a system control in PeopleSoft that will not allow an invoice to be processed if the invoice number has previously been processed. In addition, Accounts Payable does have a business process in place for identifying duplicate payments. Quarterly, a duplicate payment query from PeopleSoft is run and followed up. Accounts Payable does have both preventive and detective controls in place and the key controls are highlighted in the overall management response at the beginning of this report. There is a system control in PeopleSoft that will not allow an invoice to

be processed if the invoice number has previously been processed. In addition, Accounts Payable does have a business process in place for identifying duplicate payments. Quarterly, a duplicate payment query from PeopleSoft is run and followed up.

Accounts Payable does have both preventive and detective controls in place and the key controls are highlighted in the overall management response at the beginning of this report. There is a system control in PeopleSoft that will not allow an invoice to be processed if the invoice number has previously been processed. In addition, Accounts Payable does have a business process in place for identifying duplicate payments.

Quarterly, a duplicate payment query from PeopleSoft is run and followed up.

This query will be reviewed to determine if it can be expanded to pick up additional variables that would further refine and improve the identification of duplicate payments. Target date for completion is June, 2011. If the PeopleSoft query cannot be expanded then the functionality of ACL will be reviewed and a cost/benefit of using ACL as an additional tool in AP will be undertaken. Management appreciate the listing of potential unrecovered duplicate payments (\$17,143) the auditor has provided and Accounts Payable has commenced collecting this amount and continue to review and collect the remaining amounts.

#### Actions Taken, Results and /or Actions Planned

Management has decided to rely on existing controls to monitor transactions and identify duplicate payments. ACL will not be evaluated. City's internal controls further documented in Payment Processing Policy

#### **Recommendation (f)**

Policies surrounding paying from copies of invoices should be created and enforced. Faxes or copies should receive enhanced scrutiny before payment. Furthermore, vendors should be officially informed that all invoices should be sent directly to Accounts Payable.

Fully or  
Substantially  
Implemented

#### Original Management Response

Policies and procedures will be documented as part of the work done and described in 1 a) of this report. It should be noted that original invoices received by fax or email are stamped "Original invoice received by fax/email" to prevent confusion. Staff have been reminded to apply greater scrutiny to copies of invoices. Management notes your comments on all invoices being sent to Accounts Payable. As Accounts Payable moves forward with functionality that will allow the City to scan and attach the invoice inside of PeopleSoft. Accounts Payable will ensure more vendors forward invoices directly to Accounts Payable. This was one of the recommendations from our internal procure to pay review. This review was discussed in the overall management response.

#### Actions Taken, Results and /or Actions Planned

Scan and Attach functionality in PeopleSoft was implemented in Q3 2012; Invoice Processing Policy Completed Q2 2013. Payment Processing Policy Completed Q3 2013.

#### **Recommendation (g)**

Invoices should reflect a Purchase Order (PO) generated within PeopleSoft. A PO system allows a three way match between invoice, PO and receipt of good. Therefore, all three must match in order to generate a payment. Once a match is made, the PO is closed and no further payments can be processed; thus preventing a duplicate payment. System based controls decrease the risk of an undesirable event, for example duplicate payments. Currently, most duplicate payments are being detected after the payment has been processed. From a control framework perspective, having preventative controls reduces the likelihood of the undesirable event occurring in the first place. Having system based controls rather than a manual check reduces the likelihood of an error, and can decrease processing time of invoices. This in turn, reducing the cost of processing an invoice, as the process becomes more automatic rather than manual. The PeopleSoft System was

Partially  
Implemented



installed in 2001. Although, Finance is in the process of moving more PO's to PeopleSoft, it is understood that full implementation is still a few years away.

Original Management Response

The overall management response at the beginning of this report highlights the key controls in Accounts Payable. At the time that PeopleSoft was implemented, the business process that was established included using PeopleSoft POs for purchases greater than \$5,000 as well as blanket POs and contract numbers. For purchases less than \$5,000 legacy POs and contract numbers and blanket POs if appropriate were to be used. When purchases are made pursuant to a contract, blanket purchase number or legacy PO, the operating department approves the actual invoice for payment by the appropriate signing authority signing the invoice. The signature is evidence that the operating department has authorized the purchase, received the purchase and confirms that the invoice accurately charges for goods or services that were authorized and received and is in accordance with the contract, blanket order or legacy purchase order and is therefore authorized for payment. We do agree that there is a need to move more purchases to PeopleSoft POs and to this end a project was initiated in the fall of 2009 to review the purchasing and payables cycle. There are many recommendations that have stemmed from this review and staff continues to work to implement these recommendations. A key recommendation was to move more purchases to PeopleSoft POs. Changes to the purchasing cycle involve extensive changes to business processes as well as cultural change and consequently will take some time.

Actions Taken, Results and /or Actions Planned

Finance is encouraging the use of Peoplesoft Purchase orders, where efficient. Finance has implemented additional functionality such as procurement contracts to ease the process. In addition, Commitment Control has been implemented. The City will continue to increase the use of PeopleSoft purchase orders and this will be an on-going process.

**Recommendation (n)**

Access to PeopleSoft should be revoked within a reasonable time of the employee leaving the department. It has been noted that a 'PeopleSoft Finance Access Request' form is in the process of being implemented. This form is used to grant, modify and revoke PeopleSoft access. It is recommended that once this form is implemented, that it be used by all departments within the City. In addition, on a regular basis, FIS should provide department managers with a listing of employees with their current system access. Each manager should review the listing for appropriateness and notify FIS in writing of any required changes. All changes received by FIS should be made on a timely basis.

Fully or Substantially Implemented

Original Management Response

Accounts Payable will work with FIS to develop forms and a reporting strategy.

Actions Taken, Results and /or Actions Planned

Peoplesoft access security policy and procedures have been completed.



Brian Bigger, CGA, CRMA

Auditor General for the City of Greater Sudbury





# Audit Follow Up Report

September 23, 2013

To: Pre Audit Sub Committee  
From: Brian Bigger, Auditor General

## Re: Conventional Transit

Audit Report Released	August 2011
Original # Of Recommendations	16
# Of Action Plans Previously Completed	0
# Of Action Plans Now Completed	15
# Of Action Plans On Next Follow Up	1
Status As Of June 30, 2013	On Track

<b>Recommendation and Summary Of Progress</b> (Note: Self assessment conducted by Transit Services)	<b>Self-assessed Status</b>
--	-----------------------------

<b>Recommendation 1</b>	
Annual or semi-annual business plans, describing planned initiatives, performance measures and performance targets should be developed, and communicated to the Transit Committee, and Council in support of future strategic direction and budget deliberations. This is a fundamental element in support of the quality of stewardship over public funds and the achievement of value for money in operations.	Alternative Action Taken
<u>Original Management Response</u> Transit will follow the same direction as the rest of the corporation in regards to business plans.	
<u>Actions taken, results and /or actions planned</u> Transit's plan is presented on an annual basis through the Infrastructure Services budget .	

<b>Recommendation 2</b>	
The U-Pass agreement is up for renewal on April 30, 2011. Therefore, there is an opportunity that before the contract is renewed, the costs and goals of the program can be evaluated. There is the opportunity to decide the direction of the program and whether the program should be revenue neutral, continue to be subsidized by gas tax grants (within the capital plan), or eliminated entirely.	Alternative Action Taken

Original Management Response

All the information provided by the auditor has been presented to the transit committee and council on several occasions since the implementation of the U-Pass program. The auditor states in his opening letter that "Our findings and conclusions are based on a comparison of the conditions as they existed at the time the auditors entered this area". At the time the auditor entered this area council had already vetted this issue on at least four occasions and had clearly decided that the U-Pass was beneficial to the city and the students. A plan to offset the loss in revenue was presented to council and approved. Council has recently approved a new 3 year agreement with the students of Laurentian University.

Actions taken, results and /or actions planned

The U-Pass program is no longer subsidized by gas tax grants. The contract is reviewed and approved by council as required. Council has recently approved the U-Pass program for Graduate Students of Laurentian University. Students from the School of Architecture will also be using the U-Pass program. Staff will provide a report to the operations committee in the new year ahead of the agreement renewal.

**Recommendation 3**

Additional information should be obtained for each Trans Cab ride so that Transit can verify the accuracy of monthly bills.

Fully or Substantially Implemented

Original Management Response

The RFP for Trans Cab has recently been awarded. Detailed reports will continue to be provided over the term of the contracts.

Actions taken, results and /or actions planned

Completed as recommended with assistance from Finance

**Recommendation 4**

An annual parts inventory count should be performed with the assistance of CGS Finance staff.

Fully or Substantially Implemented

Original Management Response

The issue of inventory will be considered and dealt with during the transition phase moving from two stockrooms to one at the new transit garage.

Actions taken, results and /or actions planned

Annual parts inventory has been and will continue to be performed with the assistance of CGS Finance staff as recommended.

**Recommendation 5**

Management needs to establish inventory count policies and procedures.

Fully or Substantially Implemented

Original Management Response

The issue of inventory will be considered and dealt with during the transition phase moving from two stockrooms to one at the new transit garage.

Actions taken, results and /or actions planned

All parts have been moved to the same inventory system as the Fleet division. Inventory policies, procedures and levels continue to be updated in preparation for the move to the Lorne Street facility.

### Recommendation 6

Rebuilt or used parts should have a separate inventory part number and also be valued at the lower of the cost of rebuild, salvage, or net realizable value.

Fully or  
Substantially  
Implemented

#### Original Management Response

Likely not practical but will take the recommendation into consideration. In many cases we keep old retired buses for parts until there is no value remaining. Not sure that we should have to inventory every part of an old bus before even knowing if we are even going to use it.

#### Actions taken, results and /or actions planned

Rebuilt parts are valued and inventoried. There are still some occasions that we salvage parts from a retired bus.

### Recommendation 7

Work orders should be completed for all work performed by fleet mechanics to facilitate cost and productivity management and the achievement of value for money in operations.

Fully or  
Substantially  
Implemented

#### Original Management Response

The current work order program was never used to determine productivity. The introduction of this recommendation will result in less productivity and would require more FTE's in order to get the paper work and physical work completed. All work performed by mechanics are covered under time slips. The transit fleet has an "A" classification as audited by the ministry. We will continue to perform our duties as we always have. When we join with fleet in the new building we can perhaps look at different fleet management systems.

#### Actions taken, results and /or actions planned

The transit garage is now on the same work order system as Fleet.

### Recommendation 8

Work orders should be entered accurately and in a timely manner by the mechanics.

Fully or  
Substantially  
Implemented

#### Original Management Response

Work orders are currently entered by support staff. It would be unproductive to have mechanics perform this type of work

#### Actions taken, results and /or actions planned

A consistent work order system has been established for all Transit & Fleet garages.

### Recommendation 9

Additional training is required for those responsible for ensuring all defects from the waybills are reported on the Daily Vehicle Defect Report.

Fully or  
Substantially  
Implemented

#### Original Management Response

All proper policies and procedures are in place to ensure that all defects are taken care of. No additional training is required

#### Actions taken, results and /or actions planned

All employees are trained on the process to properly report defects.

### Recommendation 10

The Manager of Transit Fleet and Facilities needs to ensure that the semiannual safety inspections and the annual inspections are completed in the timeframe as regulated under Ontario Highway Traffic Act R.R.O. 1990. Regulation 611.

Alternative Action  
Taken

#### Original Management Response

All safety inspections are completed within the time frame. This has been confirmed by the MTO.

#### Actions taken, results and /or actions planned

All safety inspections are completed within the time frame. This has been confirmed by the MTO.

### Recommendation 11

Management should ensure that historical reporting functionality is achieved for the vast amounts of data being collected within the AVL system, and that the usefulness of this data in improving the value for money in operations is demonstrated.

Fully or  
Substantially  
Implemented

#### Original Management Response

The auditor's statements regarding the AVL system are inaccurate and as such no action is required.

#### Actions taken, results and /or actions planned

The reference to the historical data was not accurate. The AVL system continues to improve and provides valuable data to Transit Staff and Planner. Data has been received since 2009 and is used when reviewing routes, accident investigation, complaint resolution etc. The Avl system is also used to provide real time information to all transit customers.

### Recommendation 12

In order to alleviate congestion at the downtown terminal, a review of the current facilities and alternatives such as additional hubs in the City, should be completed.

Alternative Action  
Taken

#### Original Management Response

Additional hubs and alternative service delivery models have been tested in Sudbury and proven to be ineffective and unsustainable. Changes are being made to the transit terminal to provide better customer service as well as real time information. We have been reviewing the capacity of the transit terminal with our Asset Management department and will make recommendations for changes when required.

#### Actions taken, results and /or actions planned

The transit terminal will form part of the City's upcoming Asset Master Plan.

### Recommendation 13

The needs of citizens must be considered in future route planning and analysis.

Fully or  
Substantially  
Implemented

#### Original Management Response

In 2011, transit has committed to performing route analysis, including public input sessions for some of the commuter routes. An analysis of the Lively route has already been performed and public feedback has already been obtained. Further route analysis will continue throughout the year.

#### Actions taken, results and /or actions planned

The needs of citizens are always taken into consideration when reviewing services. A new transit planner uses all information at his disposal including citizen feedback through public input sessions.

#### Recommendation 14

A formal program of route analysis activities, route planning policies and standards considering such things as ridership demographics, citizen needs and minimum ridership by route need to be established.

Partially  
Implemented

#### Original Management Response

Accepting the auditor's recommendation will require more manpower to develop, implement and maintain these new policies and standards.

#### Actions taken, results and /or actions planned

Transit hired a Planner who will provide analysis of transit routes and will present a report to the Operations Committee regarding the process of rationalizing routes. Standards such as boarding counts form part of any route review and will be presented in the same report

#### Recommendation 15

Management should ensure that additional costs to acquire the passenger count data by stop should not be borne by Transit.

Alternative Action  
Taken

#### Original Management Response

No additional funds have ever been required or paid.

#### Actions taken, results and /or actions planned

No additional funds have ever been required or paid.

#### Recommendation 16

Consolidated management of citizen feedback similar to the 311 system's Active Citizen Request system should be developed in order to identify opportunities for continuous improvement in satisfaction and value for money.

Alternative Action  
Taken

#### Original Management Response

All public complaints are tracked and monitored acted upon and filed appropriately. The bulk of calls received are for information purpose only. "What time will the bus pass my house"? The remainder of calls is redirected to staff as business calls.

#### Actions taken, results and /or actions planned

Transit continues to track calls and has improved the availability of information to the public through the AVL system as the majority of calls continue to be schedule related.



Brian Bigger, CGA, CRMA

Auditor General for the City of Greater Sudbury



# Audit Follow Up Report

September 23, 2013

To: Pre Audit Sub Committee  
From: Brian Bigger, Auditor General

## Re: Handi Transit

Audit Report Released	August 2011
Original # Of Recommendations	6
# Of Action Plans Previously Completed	0
# Of Action Plans Now Completed	6
# Of Action Plans On Next Followup	0
Status As Of June 30, 2013	Completed

<b>Recommendation and Summary Of Progress</b> (Note: Self assessment conducted by Transit Services)	<b>Self-assessed Status</b>
--	-----------------------------

<b>Recommendation 1</b>	
Transit should put together a long term strategy for Handi Transit that considers the impact of the continuous growth in demand for Handi Transit Services on future costs. Expected long term outcomes, desired levels of service and funding needs for this program should be clearly identified to enable an evaluation of the achievement of value for money.	<b>Fully or Substantially Implemented</b>
<u>Original Management Response</u> No Response	
<u>Actions taken, results and /or actions planned</u> The City publishes an accessibility plan on an annual basis. Transportation forms part of the published plan. Transit staff has also presented recommendations to the Operations Committee for consideration which take into account the sustainability and growth of the system.	

<b>Recommendation 2</b>	
Transit Services should offer free ride incentives (limited trials), and bus transfers (to conventional transit), to encourage riders eligible of Handi Transit. This will encourage increased use of, and familiarity with the conventional transit system.	<b>Alternative Action Taken</b>

Original Management Response

We will attempt to make a difference without discriminating or subsidizing a new program.

Actions taken, results and /or actions planned

Transit engaged in an education campaign promoting the use of the conventional system.

**Recommendation 3**

With Transit’s fleet comprising of 100 percent low floor buses by mid 2011, Transit Services should take the opportunity to work with the Accessibility Committee to revisit the eligibility requirements for Handi Transit, and to evaluate the possibility of offering seasonal passes.

Fully or Substantially Implemented

Original Management Response

In light of the fact that the transit fleet will soon be 100% accessible, staff will ask the accessible advisory committee to review the eligibility form and make appropriate recommended changes for council’s approval.

Actions taken, results and /or actions planned

Recommendations have been approved by the Operations Committee and will be implemented Jan 1 2014.

**Recommendation 4**

Management should collect the pickup and drop off data for all Handi Transit rides from the Handi Transit service provider. This data can aide management in future route planning and bus stop placement decisions on the conventional transit system.

Alterative Action Taken

Original Management Response

Included in Staff’s plan is to work with the service provider to continue to remove barriers and to integrate the two tier systems where possible. We will work on coordinated dispatch as well as providing portions of rides on the conventional and Handi Transit systems.

Actions taken, results and /or actions planned

Transit staff will continue to work with the service provider and the Accessibility Advisory Panel to remove barriers where possible. Pick up and drop off locations are reviewed and considered during route planning.

**Recommendation 5**

As it is current Transit policy that drivers can make a special request stops, this information should be communicated through Transit’s website, and other information sources.

Fully or Substantially Implemented

Original Management Response

No Response

Actions taken, results and /or actions planned

Completed.

**Recommendation 6**

There are currently no City standards for designing accessible bus stops and/or bus shelters. It is a good practice for standards to be developed that would improve the accessibility of the transit system for all riders. Management should give accessibility maintenance and design priority to conventional system bus stops that are in close proximity to important destinations for Handi Transit users.

Alterative Action Taken

Original Management Response

We will follow Ontario standards as developed.

Actions taken, results and /or actions planned

We will continue to follow Ontario standards as developed. Transit staff is also working directly with Construction Services to identify and remove barriers at transit stops and to make appropriate recommendations prior to the construction phase of road work.



Brian Bigger, CGA, CRMA

Auditor General for the City of Greater Sudbury





# Audit Follow Up Report

September 23, 2013

To: Pre Audit Sub Committee  
From: Brian Bigger, Auditor General

## Re: Transit Kiosk and Cafe Contract Management

Audit Report Released	October 2011
Original # Of Recommendations	21
# Of Action Plans Previously Completed	10
# Of Action Plans Now Closed	11
# Of Action Plans On Next Follow Up	2
Status As Of June 30, 2013	On Track

<b>Recommendation and Summary Of Progress</b> <small>(Note: Self assessment conducted by Finance Services)</small>	<b>Self-assessed Status</b>
---	-----------------------------

<b>Recommendation 1</b> <p>Before the City enters into a contract, City Management should identify risks in drafting the contract and take care to mitigate these risks. This may include consulting with other departments within the City such as Finance, Legal, the Auditor General's office, etc., and outside legal experts in drafting particular kinds of contracts. Auditor Comments: Departmental signoffs and the Due Diligence process did not work as expected. The facts show that this contract was not well written and did not accurately reflect the relationship between the City and the Company. To properly mitigate the risk of loss, the sales proceeds should have been deposited on a timely basis into a City bank account instead of the management company's bank account, and that any outstanding amounts were to be held in "Trust".</p>	<b>Alternative Action Taken</b>
---	---------------------------------

Original Management Response

Management does identify business and operational risks (in accordance with the Due Diligence by-law (2001-296F) and factors appropriate provisions into the language of contracts. Departments engage in consultation between departments when contracts are drafted and/or entered into and as appropriate. Where there are multiple department reviews of a contract each department signs off on the contract. No Action Required.

### Actions Taken, Results and /or Actions Planned

Management continues to work closely with Legal Services to ensure contracts are drafted with appropriate provisions to ensure stewardship of taxpayers dollars.

#### Recommendation 2

Departmental Management should be required to ensure that all contracts are managed and performed according to their terms.

Fully or  
Substantially  
Implemented

### Original Management Response

Agreed. Management will undertake a review of the processes and policies and procedures related to contract administration. Timing is to be determined.

### Actions Taken, Results and /or Actions Planned

Draft Purchasing By-law changes approved by Finance and Administration Committee in April 2013.  
Procurement Contract Administration Policy to be presented to Finance and Administration Committee in August 2013

#### Recommendation 3

To obtain full value for money, the City should ensure it receives a final copy of all consultants' reports where draft reports are provided. These reports should be disseminated to appropriate staff. Auditor Comments: When the Auditors attended Transit in our Cash Handling Audit, we found that improved cash and ticket handling procedures were not documented. Transit also used the control deficiencies identified by KPMG in a request to Council for the creation of the Cashier position.

Alternative  
Action Taken

### Original Management Response

As per the engagement letter of February 4, 2008, KPMG was engaged by management to provide assistance with the development of cash and ticket handling procedures and train staff in following these procedures. A report was not a requirement of this engagement. What was gained by the City are improved cash and ticket handling procedures. The effectiveness of these improvements was reported on in the AG's report regarding Cash Handling at Transit. When consultants are engaged to provide reports, it is City practice to obtain final copies. No Action Required

### Actions Taken, Results and /or Actions Planned

No Action Required

#### Recommendation 4

When a contract is extended or renewed, the City should ensure that it is not owed any money unless such debt is specified in the contract. Additional contracts should not be awarded if the company owes the City money.

Fully or  
Substantially  
Implemented

### Original Management Response

Agreed. As provided by the Records and Reputation clause in the City's procurement documents, the City can choose not to award a contract if there are large outstanding balances owing to the City. Also the Accounts Receivable policy provides for amounts owing to suppliers to be offset by amounts owed to the City. Staff will review existing policies and enhance business procedures to ensure that these existing controls are effective.

### Actions Taken, Results and /or Actions Planned

Aged Accounts Receivable listings are sent to Senior Management Team members. Draft Purchasing By-Law changes approved by Finance and Administration Committee in April 2013.  
Procurement Contract Administration Policy to be presented to Finance and Administration Committee in August 2013

#### Recommendation 5

Contracts should not be extended or renewed if the terms and conditions of the original contract have not, or can no longer be followed.

Fully or  
Substantially  
Implemented

#### Original Management Response

See 2 above.

#### Actions Taken, Results and /or Actions Planned

Draft Purchasing By-Law changes approved by Finance and Administration Committee in April 2013.  
Procurement Contract Administration Policy to be presented to Finance and Administration Committee in August 2013

#### Recommendation 9

Management should consider developing a new policy for determining the amount of the letter of credit. For example, the value of the contract as well as other risks (financial, operational, etc.) should be considered in establishing an amount for the letter of credit. The policy should consider instances where exceptions are made, how these exceptions are documented and what approvals are necessary.

Partially  
Implemented

#### Original Management Response

The City's construction contracts for capital projects have specific guidelines for the amounts that the City is to collect for bid deposits, bid bonds and letters of credit. Building on the guidelines in place for construction contracts, Purchasing, in consultation with Legal, will develop a policy and procedure that will apply to other types of contracts by the end of the first quarter of 2012.

#### Actions Taken, Results and /or Actions Planned

The City has established guidelines, and the draft purchasing by-law has been amended to state that the Authorized Person must approve the securities. However Supplies and Services will develop a formal written policy for Contract Securities (Letters of Credit). It is anticipated that this will be completed in Q1 2014

#### Recommendation 10

When letters of credit are used, they should be reviewed when contracts are extended and renewed, and changes made as required. Having the ability to review and make changes to the amount of a letter of credit must be included as part of the terms of the contract. If a letter of credit to an acceptable amount cannot be secured, other controls should be put in place to ensure collectability of City funds.

Fully or  
Substantially  
Implemented

#### Original Management Response

It is the City's practice to review letters of credit and certified cheques when contracts are renewed and extended. As noted by the AG in his comment at 9, there are many factors that are considered when establishing the amount of the letter of credit. Clarification will be provided by the action plan in Item 2 and 9 above.

#### Actions Taken, Results and /or Actions Planned

Draft Purchasing By-Law changes approved by Finance and Administration Committee in April 2013.  
Procurement Contract Administration Policy to be presented to Finance and Administration Committee in August 2013

#### Recommendation 11

If the City pursues any further collection attempts on the receivables owing, the City should attempt to collect the full amount of interest payable on the account.

Alternative  
Action Taken

### Original Management Response

Council has been advised by Legal that the City is in the process of conducting examinations of the Company in an effort to determine if there is any possibility of collecting on the court judgment against the Company. Further comments cannot be provided since they relate to matters where direction was provided by Council in-camera. Regarding the potential interest payable, a balanced discussion of this issue is required. There are two positions that could effectively be made. One is that the interest is owed and the other is that the interest is not owed. The AG's position is that the interest is owed. On the other side of the discussion the following should be noted. The 1999 contract had interest but the 2004 contract did not have an interest provision and therefore it could be argued that there was an agreement not to charge interest. Further, since interest was not billed, the supplier would not have knowledge that interest was owed and consequently it could be argued that no interest applies. If the imputed interest argument fails, then the City is left with the Court rates applicable to litigation which is very conservative. The rate the City was awarded on the judgment against 1211250 Ontario Inc. was 2% per year (compounded annually) which is much lower than the imputed interest rate of 15% per year. The claim of \$252,000 in accumulated imputed interest is far from certain and would be challenged. Legal will consider this as it moves forward.

### Actions Taken, Results and /or Actions Planned

The City has since completed all examinations and the City has a judgement against 1211250 Ontario Inc. and a writ of seizure and sale. Legal Services will be monitoring these on an annual basis.

## Recommendation 17

In order to simplify lease administration and reduce the risk of payment errors, the City should develop a system to flag when lease and contract renewals are coming due. Auditor Comments: This solution was identified by management, and the Auditor General agrees that this would improve internal controls. It is a normal internal audit practice to recommend improvements working cooperatively and with the advice of management.

Partially  
Implemented

### Original Management Response

The AG has adopted a recommendation in this updated report that was put forward by management in its response to the original recommendation. A system to flag when lease and contract renewals are coming due is required. If there is an effective system in place, then the renewal date should not be an issue. We do not agree that it would be more beneficial to have all leases renewing on January 1 and further it is not common business practice. Renewing leases and contracts can be significant work and having it all occur for January 1 is not practical. Action plan described in item 2 above.

### Actions Taken, Results and /or Actions Planned

Draft Purchasing By-Law changes approved by Finance and Administration Committee in April 2013. Procurement Contract Administration Policy to be presented to Finance and Administration Committee in August 2013. In addition staff is pursuing the notification features within Procurement Contract Functionality in PeopleSoft.

## Recommendation 18

If any further collection attempts can be made, the City should attempt to recover the missed revenues under the terms of the contracts. Auditing the financial records of the company would determine the actual amount owing to the City.

Alternative  
Action Taken

### Original Management Response

Legal will assess the City's abilities to collect these amounts. This is on-going.

### Actions Taken, Results and /or Actions Planned

The City has since completed all examinations and the City has a judgement against 1211250 Ontario Inc. and a writ of seizure and sale. Legal Services will be monitoring these on an annual basis.

## Recommendation 19

As part of the City's due diligence in awarding contracts, business searches should be considered. The City would need to state in the RFP that the City may request that the vendor submit to a business search prior to the award of the contract. A business search should be mandatory for all revenue generating contracts. Due to the cost of performing such a search, for all other contracts, management should decide and document whether to request that the vendor do a business search.

Fully or  
Substantially  
Implemented

### Original Management Response

Management will undertake a review of the processes, policies and procedures related to contract administration (as noted in 2 above). In addition, this will be reviewed when the updated purchasing by-law is presented to Council. To be reviewed by Legal and Purchasing in 2012.

### Actions Taken, Results and /or Actions Planned

Draft Purchasing By-Law changes approved by Finance and Administration Committee in April 2013.  
Procurement Contract Administration Policy to be presented to Finance and Administration Committee in August 2013



Brian Bigger, CGA, CRMA

Auditor General for the City of Greater Sudbury



## Audit Follow Up Report

September 23, 2013

To: Pre Audit Sub Committee  
From: Brian Bigger, Auditor General

### Re: Water Main – Emergency Repairs

Audit Report Released	April 2012
Original # Of Recommendations	11
# Of Action Plans Previously Completed	0
# Of Action Plans Now Completed	11
# Of Action Plans On Next Follow Up	0
Status As Of June 30, 2013	Completed

<b>Recommendation and Summary Of Progress</b> (Note: Self assessment conducted by Water / Wastewater Services)	<b>Self-assessed Status</b>
---	-----------------------------

<b>Recommendation 1</b> When the Auditors brought an observed excavation that did not meet OHS Act O. Reg. 213/91 to Management’s attention, they investigated and took immediate action to formally address this incident with the workers involved. Management must ensure that tools and options required for excavation work in accordance with the Act are available to all City work crews.	Fully or Substantially Implemented
--	------------------------------------

Original Management Response

Management intends to remedy the noted deficiencies and take concrete actions to consistently meet the safe trenching requirements.

Changes to trenching equipment and business processes have already started and will be in full effect by the end of the second quarter 2012.

Actions Taken, Results and /or Actions Planned

Modernized excavation techniques using hydro-excavation, use of different types of trench boxes, and more innovative tools requiring less space and causing less requirements to enter the trenches. Cost containment on restoration costs and overtime have been achieved.

## Recommendation 2

Based on an average 7 foot depth excavation, our analysis indicated that a 20 tonne dump truck / backhoe / trench box method is the most economical, efficient and effective method. Supervisors should document their work plan instructions on CMMS job cards for emergency repairs in support of excavation crews who are expected to consider other options based on the actual conditions of each excavation.

Fully or  
Substantially  
Implemented

### Original Management Response

Procedural changes to adopt this method as the standard operational mode have already been taken. This method will be implemented whenever specific site conditions allow.

Supervisors have started attaching work instructions to CMMS job cards.

### Actions Taken, Results and /or Actions Planned

More appropriate trench boxes were purchased and significant additional training and procedural changes have occurred. Excavation staff were also re-aligned and a specialized city-wide digging program was implemented to ensure consistent and more optimal use of resources is used. This program has significantly changed our approach to excavations since full implementation occurred in the fall of 2012. So far this change is achieving those stated objectives.

## Recommendation 3

The volume and carrying capacity of dump trucks commonly used in current excavation projects contributes to unproductive wait times for City excavation resources, and can contribute to unnecessary overtime. Management should take the necessary steps to ensure the consistent use of larger 20 tonne dump trucks which will allow the City to save resource hours on each excavation.

Fully or  
Substantially  
Implemented

### Original Management Response

Management has requested that fleet convert three existing 10 tonne dump trucks to 20 tonne dump trucks at the first available opportunity.

Fleet advises that the incremental cost per truck is about \$35,000 and the conversion can be completed over the next two years within existing Fleet capital allocations.

In the interim, we will coordinate with Roads to utilize any of their existing 20 tonne trucks that may be available during non winter control periods.

### Actions Taken, Results and /or Actions Planned

With the increased use of hydro-excavation technology and trench boxes, we move substantially less material, especially during summer months when there are less emergencies. We are able to exchange trucks to make use of Roads tandems during summer months when they are not being used for plowing and Roads operations benefit from the single axles. W/WW expects to receive 2 - 20 tonne trucks by the end of 2013 - in time to coincide with the 2013/2014 peak emergency repair times, where larger excavations are most often involved and the larger trucks are most beneficial.

## Recommendation 4

Update the Standard Operating Procedures to reduce a standard repair crew size to three rather than four. The crew size can be reduced by 1.0 FTE (Relief Operator) on each excavation. Some exceptions may be required.

Fully or  
Substantially  
Implemented

### Original Management Response

This recommendation has already been implemented and the employee resources redeployed to other core operational work tasks.



Actions Taken, Results and /or Actions Planned

Standard crew deployment has changed from a 4 person crew to a 3 person crew since the time of the audit. The resources freed up from this change have been redirected other essential core work allowing us to more with the same total number of employees.

**Recommendation 5**

During unproductive wait time, Management should consider scheduling preventative maintenance work within the same proximity of the job for the Operator B.

Fully or Substantially Implemented

Original Management Response

Management has begun scheduling preventative maintenance work in the area of the work site for the Operator B.

This recommendation is scheduled to be fully implemented by the end of the second quarter of 2012.

Actions taken, results and /or actions planned

Given the reduced crew size opportunities for reallocating on site resources have been reduced as remaining crew members are occupied with equipment set up, delivering notices to affected homeowners, safety tailgate talks, traffic control, documenting work order data, etc. When opportunities occur for reallocating resources to other productive work nearby the resource is redeployed. This has been implemented fully at this point with existing paper based CGS work order systems however additional efficiencies can be developed once mobile capabilities and the GIS based CityWorks CMMS systems are in place.

**Recommendation 6**

Management should review the current process of dispatching entire crews to the job site. When safe to do so, less staff may be required to be dispatched to the work site until locate information is obtained, providing the opportunity to save resource hours.

Fully or Substantially Implemented

Original Management Response

Management has already begun to deploy the crews to and from work sites on an incremental basis as required by the site specific conditions and requirements.

Actions Taken, Results and /or Actions Planned

With the centralization of excavation resources we have been able to more consistently obtain locates (using a single CGS resource) prior to dispatching the crew. Effectively this has meant that this recommendation is substantially been implemented. At this time, crews seldom are deployed without first receiving locates.

**Recommendation 7**

Management must continue to improve and re-enforce the organizations commitment to internal controls intended to detect the abuse or falsification of overtime.

Fully or Substantially Implemented

Original Management Response

Management has implemented improved controls including improved pre-approval processes, increased time sheet documentation requirements and supervisory reviews, and spot checks of depot activity to detect and control abuse or falsification of overtime.

Actions Taken, Results and /or Actions Planned

Along with the increased controls that were implemented, there is less opportunity for overtime as we have introduced our new excavation technologies that are reducing the total time required to complete the repairs. As part of a larger ISD initiative Automated vehicle locating systems are being implemented. This additional



data on vehicle locations will improve safety for our staff and help staff plan work more effectively.

### Recommendation 8

Allowing workers to work through their lunch does not provide value for money. This practice should be discouraged whenever possible unless required to improve service to the public.

Fully or  
Substantially  
Implemented

#### Original Management Response

Changes to work processes have been implemented to discourage working through lunch unless required to protect public health and safety.

#### Actions Taken, Results and /or Actions Planned

The 2013-2016 CBA has all operators working on a shift schedule eliminating all overtime opportunities at lunch and extending straight time capability over days & afternoon shifts.

### Recommendation 9

Management should continue to work with the Union in order to explore the use of afternoon shifts and other non-dayshift options for Water/Wastewater work crews.

Fully or  
Substantially  
Implemented

#### Original Management Response

Management is actively continuing attempts to achieve consent from the Local Union to implement non-dayshift, non-weekday straight time shift opportunities.

#### Actions Taken, Results and /or Actions Planned

The 2013-2016 CBA has all operators including hydro excavation employees working on a shift schedule that allows for daytime and afternoon shifts.

### Recommendation 10

Management should consider centralizing water/ wastewater operations. The location should have adequate storage for parts, stockpiles and meet all health and safety requirements. Centralization will enable the establishment of specialty teams, aid in supervision and employee deployment.

Alternative  
Action Taken

#### Original Management Response

A list of requirements has been prepared to identify required improvements to the existing core depot or any new strategically located depot option that will reduce travel times, satisfy health & safety, provide indoor heated storage for hydro excavation trucks, excavation trailers, other parts & equipment, along with other requirements to support centralized staff deployment and the specialty crew concept.

#### Actions Taken, Results and /or Actions Planned

CGS Depot asset management review study is underway

### Recommendation 11

Management should focus on the consolidation and rationalization of obsolete or overstocked repair parts and establish and maintain desired inventory levels for parts. Centralizing inventory will reduce costs of maintaining buildings, assist in ensuring parts are stored in a safe and organized manner, and that desired inventory levels are maintained.

Fully or  
Substantially  
Implemented

Original Management Response

Management will emphasize rationalization of existing inventory and in association with the central depot concept above, develop a central inventory concept where parts will be stored in a safe and organized manner. Depletion of existing parts inventory will commence through 2012 and a centralized parts inventory will be coordinated with implementation of Recommendation 10 (Centralized Depot).

Actions Taken, Results and /or Actions Planned

A significant amount of stock from outlying depots has been centralized using existing resources and space available. Depot reviews currently underway includes considerations to help rationalize and centralize stock.



Brian Bigger, CGA, CRMA

Auditor General for the City of Greater Sudbury



## Audit Follow Up Report

September 23, 2013

To: Pre Audit Sub Committee  
From: Brian Bigger, Auditor General

### Re: Roads - Impact Of Changes To Road Design

Audit Report Released	August 2012
Original # Of Recommendations	13
# Of Action Plans Previously Completed	0
# Of Action Plans Now Closed	11
# Of Action Plans On Next Follow Up	2
Status As Of June 30, 2013	On Track

<b>Recommendation and Summary Of Progress</b> (Note: Self assessment conducted by Roads Division)	<b>Self-assessed Status</b>
--	-----------------------------

#### Recommendation 1

The City should improve policies, procedures and reports supporting accountability for rejection of inferior products and enhanced follow-up on warranty issues.

Partially Implemented

##### Original Management Response

Will formulate reporting procedure for test results. This can be completed within six months (March 2013).

##### Actions Taken, Results and /or Actions Planned

All test results are reported to the Chief Field Inspector for distribution. As a result of discussions at the annual contractor's meeting there was subsequent committees comprised of staff and contractors formed to address a variety of issues, including developing a formal procedure for warranty issues.

#### Recommendation 2

The City should further investigate rejectable materials from previous and current projects, and establish appropriate remedies where warranty provisions allow.

Fully or Substantially Implemented

Original Management Response

Will monitor and continue to monitor areas already identified and determine corrective measures. This has been implemented.

Actions Taken, Results and /or Actions Planned

Staff continue to monitor areas already identified and determine corrective measures. A formal warranty procedure is being developed by a committee comprised of staff and contractors.

**Recommendation 3**

The City should require asphalt suppliers to provide their quality control test results in accordance with OPS to Construction Services (as they become available) for all asphalt supplied to the City. Any deficiencies in the quality of the asphalt should be made known to management immediately so that corrective action can be taken if deemed necessary.

Fully or Substantially Implemented

Original Management Response

Asphalt suppliers will provide their quality controls results to Construction Services as per Ontario Provincial Standard Specification 310 Construction Specification for Hot Mix Asphalt Table 6 Sampling & Testing Frequency of Hot Mix Asphalt. This will be introduced starting January 1, 2013 and will become a standard for all future contracts. Contractors will be informed at the Annual Contractors Meeting.

Actions Taken, Results and /or Actions Planned

At the Annual Contractors meeting held on March 26 2013, the Asphalt Producers were informed that when requested by the City, all asphalt quality controls were to be submitted. This also conforms to the present Ontario Provincial Standard Specification.

**Recommendation 4**

The City lab should immediately begin testing gradation and asphalt cement content according to the job mix formula as specified under OPSS 310 – Construction Specification for Hot Mix Asphalt.

Fully or Substantially Implemented

Original Management Response

Our laboratory started testing the gradation and asphalt cement content of the job mix formula in June 2012. To be consistent, this had been implemented as of July 2012.

Actions Taken, Results and /or Actions Planned

As previously stated, the City laboratory started testing the gradation and asphalt mix formula in accordance to Ontario Provincial Standard Specification 310 in July 2012.

**Recommendation 5**

Costs and quantities related to major items used in change orders should be identified and tracked separately under the change order item in progress payments.

Fully or Substantially Implemented

Original Management Response

This was performed in the past when requested by the Project Manager since 2009.

Actions Taken, Results and /or Actions Planned

This has now become a common procedure when processing monthly progress payments. This procedure was instituted immediately following the Auditor Report of August 2012.

### Recommendation 6

The City's current standard and tolerances to achieve a three percent cross fall on new construction, reconstruction or when grinding is done during a resurfacing or rehabilitation process, should be clearly stated in the contract.

Fully or  
Substantially  
Implemented

#### Original Management Response

Will state or indicate 3% cross fall and tolerances in standard drawings & specifications effective January 1, 2013. Contractors will also be made aware of this standard and tolerance at the Annual Contractors Meeting.

#### Actions Taken, Results and /or Actions Planned

The contracts indicate the cross fall required as of January 1, 2013.

### Recommendation 7

The City should improve policies, procedures and reports supporting accountability for rejection of incorrect cross fall as specified in the contract and/or drawings in order to comply with City standards.

Partially  
Implemented

#### Original Management Response

Will research policies and procedures of the Ministry of Transportation and other municipalities in Ontario. Time frame may be 12 to 18 months.

#### Actions Taken, Results and /or Actions Planned

Research is ongoing and on schedule.

### Recommendation 8

The City should communicate their willingness to accept RAP in the job mix formula for local roads in accordance with OPSS standards.

Fully or  
Substantially  
Implemented

#### Original Management Response

Will communicate our willingness and encouragement to local asphalt suppliers to use RAP in the production of hot mix asphalt. Will communicate this to contractors at the Annual Contractors Meeting.

#### Actions Taken, Results and /or Actions Planned

At the Annual Contractors Meeting held on March 26 2013, the Contractors were encouraged to examine the feasibility of using recycled asphalt pavement in the production of hot mix asphalt. Contractors were also reminded that RAP is permissible as per the OPSS.

### Recommendation 9

The City should communicate their willingness to accept RAP mixed with Granular A and Granular B Type I in accordance with OPSS standards.

Fully or  
Substantially  
Implemented

#### Original Management Response

Will communicate our willingness and encouragement to local aggregate suppliers to use RAP in the production of granular products. This will be communicated to contractors at the Annual Contractors Meeting.

#### Actions Taken, Results and /or Actions Planned

At the Annual Contractors Meeting held on March 26 2013, the Contractors were encouraged to examine the feasibility of using recycled asphalt pavement in the production of granular material. Contractors were also reminded that RAP is permissible as per the OPSS.

## Recommendation 10

The City should continue to identify further opportunities for cost savings where road work is planned so that the asphalt removed from one road can be used on other nearby City use(s). The objective is to minimize trucking costs while recycling the greatest volume of RAP possible (in its highest and best use) to the advantage of the City.

Fully or  
Substantially  
Implemented

### Original Management Response

Have performed this recommendation in the past and will continue to do so. Will continue to monitor best practices and other uses. (i.e. shouldering around guiderails, washouts, etc.).

### Actions Taken, Results and /or Actions Planned

Staff continues to perform this recommendation as per past practice.

## Recommendation 11

The City should continue to work with other interest groups and other Departments that could use the City's RAP in their nearby projects.

Fully or  
Substantially  
Implemented

### Original Management Response

Have performed this recommendation in the past and will continue to do so. By January 2013, establish a request process where a master list will be created and maintained.

### Actions Taken, Results and /or Actions Planned

Staff have communicated with other city departments on the available use of recycled asphalt pavement and a master list is maintained by the Manager of Engineering. At the present time, two locations have been submitted for the possible use of recycled asphalt pavement.

## Recommendation 12

Ownership and disposition of RAP should be clearly stated in the contract documents.

Fully or  
Substantially  
Implemented

### Original Management Response

Will include appropriate clauses in contract specifications for all future contracts starting January 1, 2013.

### Actions Taken, Results and /or Actions Planned

The appropriate contract specifications have been included in all contracts starting in January 1, 2013.

## Recommendation 13

If alternate City uses are not identified for the RAP, they should be directed to go to the contractor.

Fully or  
Substantially  
Implemented

### Original Management Response

Have performed this recommendation in the past and will continue to do so as contractors become better equipped to handle large volumes of RAP.

### Actions Taken, Results and /or Actions Planned

Staff continues to perform this recommendation as per past practice.



Brian Bigger, CGA, CRMA





# Audit Follow Up Report

September 23, 2013

To: Pre Audit Sub Committee  
From: Brian Bigger, Auditor General

Re: User Fees – Sports Fields

Audit Report Released	November 2012
Original # Of Recommendations	9
# Of Action Plans Previously Completed	0
# Of Action Plans Now Closed	3
# Of Action Plans On Next Follow Up	6
Status As Of June 30, 2013	On Track

<b>Recommendation and Summary Of Progress</b> (Note: Self assessment conducted by Community Development )	<b>Self-assessed Status</b>
--	-----------------------------

## Recommendation 1

Evaluate whether the youth per participant rate should be replaced by an hourly rate. If any changes are required, it should be reflected within the User Fee By-law approved by Council.

No Substantial Action Taken

### Original Management Response

Review impact of any potential changes to minor sports playfield user fees and prepare a report to Standing Committee with options re: participant rates vs. hourly, etc. The review will be conducted in time for the 2014 playfield season.

### Actions Taken, Results and /or Actions Planned

A report will be presented to the Community Services Standing Committee scheduled for September 16th, 2013. The report will provide a summary of the 2013 youth participant numbers for minor soccer and minor baseball and the fee charged for playfield use based on the existing per participant fee. The report will also provide a financial analysis of the revenues generated based on the participant rate fee versus an hourly rate fee. In addition, the report will provide Council with comparatives with other cities related to playfield user fees for youth sports. Should Council support changes to the youth playfield user fees, the rates would be included as part of the user fee by-law in time for the 2014 season.



### Recommendation 2

For adult associations, the City should ensure that the terms within the Facility Agreement which is signed by each association are followed so that fees are collected prior to the use of the City's facilities.

Fully or  
Substantially  
Implemented

#### Original Management Response

Staff will ensure that all adult associations provide payment in advance of the rental by way of post dated cheques or credit cards in order to guarantee the facility bookings as identified in the facility rental agreement.

#### Actions Taken, Results and /or Actions Planned

Leisure Administration has fully implemented this recommendation. The 2013 field allocations are confirmed only when payment is collected prior to the use of the facility through the issuing of monthly post dated cheques and/or credit card.

### Recommendation 3

Leisure Services should amend the payment terms in the Facility Agreements for youth leagues, so that the City collects user fee revenue prior to the use of the facilities, similar to adult associations.

Fully or  
Substantially  
Implemented

#### Original Management Response

The payment terms will be amended for the youth playfield users and fees will be collected prior to the use of the facilities in time for the upcoming 2013 season.

#### Actions Taken, Results and /or Actions Planned

The youth leagues will have their fees due by June 1st with reconciliation done in September for any outstanding balances or credit due. The reconciliation is done in September in order to review and or adjust the total number of participants registered for the 2013 season.

### Recommendation 4

If the City continues to charge a per participant fee for youth associations, Leisure Service should consider including a provision for participant number verification rights within the Facility Agreement for youth leagues similar to other revenue generating contracts within the City.

No Substantial  
Action Taken

#### Original Management Response

Contingent on any decisions made from recommendation #1. The requirements would have to be incorporated into the facility use agreement.

#### Actions Taken, Results and /or Actions Planned

A report will be presented to the Community Services Standing Committee on September 16, 2013. The report will review the recommendation and will determine if the user fee be amended to revise the fees from a participant rate to an hourly rate. Should Council support maintaining a per participant rate recommendation, #4 would be implemented in time for the 2014 playfield season.

### Recommendation 5

A best practice for user fees is for the City to set a policy framework that provides transparency and clarity, promotes consistency, and makes cost sharing amongst users more equitable. Management should present user fee target recovery options to Council after performing a full cost analysis. Since the decision for establishing user fees rests with Council, full cost analysis will better inform Council of cost recovery target options as well as their impact on user fees. Management may want to consider implementing these recommendations within Leisure Services prior to rolling it out to other departments within the City.

Partially  
Implemented

### Original Management Response

The City's Base Budget Preparation Policy states "that when establishing user fee rates, the (a) Cost of service, including direct, indirect costs, allocation of capital costs etc. should be considered." In addition, policy #7 of the Long Term Financial Plan states "Ensure operating revenues are sustainable and consider community-wide and individual benefits (taxes versus user fees)". In addition, there are a number of principles that provide guidance to management regarding user fees. For example, principle 3.3 states "Establish target proportions of program costs to be raised through user charges based on reviews of benefits received; Principle 3.6 states "Ensure both operating and capital costs are considered when establishing user fees (full program costing)".

Management agrees that the City should expand the use of the existing policy framework when setting user fees. As a first step, the Finance and Leisure Services department will prepare a report to Finance and Administration Committee which discloses the current and historical user fee recovery percentages for the larger programs in Leisure Services, and to seek the committee's direction regarding increasing user fees to address the City's infrastructure shortfall or to reduce the tax levy.

In addition, as part of the 2013 budget planning session, Council requested a detail breakdown on the operational costs for the following programs:

- a) camp Sudaca / Wassakwa
- b) summer playground programs
- c) fitness facilities
- d) trailer park operations

### Actions Taken, Results and /or Actions Planned

As reported under "Actions Taken", management at the request of Council brought forward reports to the CS Standing Committee regarding Leisure Services review program fees for Camp Sudaca/Wassakwa, summer playground programs, fitness facilities and the trailer park operation. At the Feb. 4, 2013 CS Standing Committee meeting, Council approved net operating cost recoveries for fitness centre operations at 75% and summer playground programs at 86%. Camp Wassakwa weekly rates were increased by \$10/week in order to harmonize the weekly fees with Camp Sudaca. The fee will be increased and will be implemented in 2014. Trailer park fees were adjusted in 2012 to be in line with the North Eastern Ontario Provincial Park rates. In addition, management as part of the Arena Renewal Strategy, has provided Council with net operating/capital cost recoveries for the 14 municipally operated arenas. Council approved a user fee increase at the Gerry McCrory Countryside Sports Complex and at community arenas to offset the net operating cost at Cambrian Arena. Both facilities are operated with no impact on the levy.

### **Recommendation 6**

User fee rates for James Jerome artificial turf should be re-evaluated to ensure it is meeting established program objectives.

No Substantial  
Action Taken

### Original Management Response

User fee rates for James Jerome artificial turf will be re-evaluated in time for the 2014 Playfield season.

### Actions taken, results and /or actions planned

A report will be presented to Community Services Standing Committee scheduled for September 16, 2013. As part of the report, management will provide an analysis of the prime and non-prime use of the artificial turf at James Jerome during the 2012-13 season in order to determine if the user groups are using the majority of the prime time times available.

### Recommendation 7

Although the exceptions found in our limited review of Sports Fields did not have a significant dollar impact, any user fee charged should be specified within the User Fee By-law which is approved by Council. Exceptions to the By-law should not be given unless explicitly approved by the General Manager.

Fully or  
Substantially  
Implemented

#### Original Management Response

Staff will review the user fee by-law on a regular basis to ensure compliance. In addition, to continue past practice, finance circulates the user fee by-law to all operating departments on an annual basis in order to provide input prior to forwarding to Council for approval. Leisure Services will ensure that new fees or adjusted fees are captured through this process.

#### Actions Taken, Results and /or Actions Planned

Staff are following the user fee by-law as approved by Council. Amendments to the user fee by-law are captured annually and are presented to Council on an annual basis in December. Recent amendments to the user fee by-law were approved by Council at the December 11, 2012 Council meeting.

### Recommendation 8

Additional clarification should be made in the User Fee By-law as to which City fields are major or minor complexes. This should include fields covered under Joint Use Agreements for which the City can charge a fee.

No Substantial  
Action Taken

#### Original Management Response

Clarification will be captured through the annual user fee by-law review which is circulated to operating departments for input and forwarded to Council for approval annually (December/January).

#### Actions Taken, Results and /or Actions Planned

Management will capture the clarification of major and minor complexes including fields covered under the joint use agreement in the next amendments to the user fee by-law which is scheduled to be submitted to Council for approval in December, 2013.

### Recommendation 9

Ensure the Joint Use Agreements are updated in a timely fashion with all school boards participating in this agreement. Ensure they accurately reflect the current understanding amongst all the parties in regards to field maintenance, usage and restrictions.

Partially  
Implemented

#### Original Management Response

Leisure staff have been working on renewing the joint use agreement since the fall of 2011. A number of meetings have been held with representatives from all Boards of Education in order to revise and update the Joint Use Agreement. A draft agreement will be circulated to senior staff and will be presented to Council for feedback. The objective is to finalize the agreement by year end 2013.

#### Actions Taken, Results and /or Actions Planned

Management has progressed well regarding finalizing the draft joint use agreement between the City of Greater Sudbury and the local Boards of Education. The draft agreement is scheduled to be completed for Council's review by the end of 2013. The joint use agreement, once approved by Council, will be evaluated and reviewed semi-annually by the joint use agreement committee.



Brian Bigger, CGA, CRMA

Auditor General for the City of Greater Sudbury