



Hamilton

# INFORMATION REPORT

**AFFECTS  
WARD 2**

<b>To:</b>	Chair and Members Economic Development and Planning Committee PED07105		
<b>From:</b>	Lee Ann Coveyduck General Manager Planning and Economic Development Department	<b>Telephone:</b> <b>Facsimile:</b> <b>E-mail:</b>	905 546-4339 905 546-4364 <a href="mailto:lcoveydu@hamilton.ca">lcoveydu@hamilton.ca</a>
<b>Date:</b>	March 2, 2007		
<b>Re:</b>	<b>Update on the Action Taken to Date on the 2005 Internal Audit on Financial Assistance Programs Administered by the Downtown Renewal Division – Hamilton Downtown Residential Loan Program (HDRLP) (PED07105) (Ward 2)</b>		

**Council Direction:**

Not applicable.

**Information:**

City Council, at its meeting held September 28, 2005, received Report CM05034 with respect to the results of the 2005 Internal Audit on the financial assistance programs administered by the Downtown Renewal Division namely: i) the Hamilton Downtown Residential Loan Program; ii) the Commercial Property Improvement Grant Program; and, iii) the Enterprise Zone Municipal Realty Incentive Grant Program.

The three (3) financial assistance programs were audited. The audit resulted in no observations or recommendations by the auditor for the Commercial Property Improvement Grant Program or the Enterprise Zone Municipal Realty Incentive Grant Program as both programs appeared to be administered in compliance with applicable policies and procedures and the controls were adequate. However, there were recommended improvements for the Hamilton Downtown Residential Loan Program that centred around two (2) main issues:

- 1) Segregation of duties within the Division's personnel in charge of the loan program and within the Finance area where loan advances and repayments are handled; and,
- 2) Collection and retention of necessary documentation and support for compliance and verification work carried out by staff and outside counsel.

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There were thirteen (13) individual recommendations contained in the report and management and staff had, at the time of the report, already taken action or agreed to take measures to implement all of the recommendations. The observations, recommendations and specific management action plans were contained in Appendix 'A' that was attached to Report CM05034.

Since that time, the position of "Business Analyst" was created in the Downtown Renewal Division and the position was filled in May 2006. The Business Analyst supports the Co-ordinator of Municipal Incentives through recordkeeping and administration functions of the financial assistance programs and ensures that requirements of the audit are met.

In January 2007, staff from the Downtown Renewal Division and the Tax Administration/Banking and Internal Audit Sections met to discuss in detail the action taken to date on the thirteen (13) observations and recommendations. All staff in attendance agreed with that action and discussed further improvements for a couple of items. Those improvements have since been implemented by staff.

Audit Services will carry out the normal follow-up procedures as they do for all previously issued audit reports. The follow-up ensures that management's commitment to the Management Action Plan is evident through the implementation of the recommendations. The results of the follow-up will be reported to the Audit and Administration Committee and Council.

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General Manager  
Planning and Economic Development Department

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