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TO:	CHAIR AND MEMBERS AUDIT COMMITTEE MEETING ON JUNE 25, 2014
FROM:	PwC INTERNAL AUDITORS
SUBJECT:	Quarterly Report on Internal Audit Results a) Housing, Social Services & Dearness Home: Housing Access Centre process review b) Engineering and Environmental Services: Solid Waste - Landfill process review

RECOMMENDATION

That on the recommendation of PwC, this report **BE RECEIVED** for information and the action plans identified in Appendices A and B **BE RECOMMENDED** for approval.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Risk Assessment and 3-Year Risk-Based Audit Plan from PricewaterhouseCoopers – Audit Committee March 31, 2011.

Risk Assessment and 2014-2016 Performance-Based Audit Plan from PricewaterhouseCoopers – Audit Committee December 5, 2013.

BACKGROUND

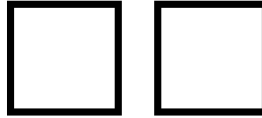
This report has been prepared in line with the reporting process defined within the Risk Assessment and 3-Year Risk-Based Audit Plan provided to the Audit Committee on March 31, 2011.

The purpose of this report is to communicate the results of internal audit projects completed to date, which include the following projects:

- Housing, Social Services & Dearness Home: Housing Access Centre process review
- Engineering and Environmental Services: Solid Waste - Landfill process review

PwC requests Audit Committee approval of the action plans developed in collaboration between PwC and City management. Please also refer to the formal presentation document attached in Appendix C.

RECOMMENDED BY:
PwC INTERNAL AUDITORS



APPENDIX A – Housing, Social Services & Dearness Home: Housing Access Centre process review

Summary of Risks & Scope

Housing, Social Services & Dearness Home: Housing Access Centre process review

Scope

- Efficiency and effectiveness of application intake, acknowledgement and assessment processes
- Waitlist reporting
- Collaboration and communication with key stakeholder groups, including applicants, housing providers and social service agencies
- Compliance with key regulatory requirements
- Vacancy management initiatives and policies

Potential Risks

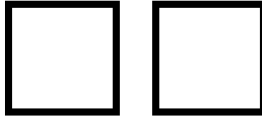
- Manual application intake processes may be inefficient and ineffective, resulting in misused resources and weakened customer service.
- Inadequate application criteria and form design may lead to inappropriate tenant selection and/or additional staff time spent following up on incomplete applications.
- Acknowledgement and assessment of applications may not be completed on a timely basis in accordance with regulations.
- Ineffective communication and collaboration with stakeholders may result in duplication of efforts in areas such as waitlist reporting.
- IT infrastructure may not support business activities.
- Vacancies may go unreported, potentially delaying units from being filled.
- Waitlist and housing data may be inaccurate and incomplete, resulting in the inability to analyze data and run meaningful reports.
- Current tenant placement model may not support efficiencies on a long-term basis.

Controls Operating Effectively

- The Housing Access Centre (HAC) functions as a paperless office leading to efficiencies and cost savings.
- Effective internal controls include documented policies and procedures, tracking tools to measure and report on KPIs, appropriate segregation of duties, and standardized forms, letters and checklists.
- Staff verify approximately 1/6th of the unit tenancy data with housing providers on a monthly basis, resulting in each unit's tenancy being verified twice annually.
- Reviews are completed on every file at least once in a 24 month period to re-assess eligibility for rent-g geared-to-income assistance.
- An internal review/appeal process is followed by staff to ensure applicants are treated fairly and consistently.

Value for Money Considerations

- If the City implements vacancy caps, subsidies could be reduced. A 10% decrease in the length of vacancies could save the City \$50K annually in subsidies.
- In addition, improved efficiencies could lead to future cost savings.



Observations & Action Plans

#1: Implementation of web-based housing database

Observation:

Staff currently use Yardi software for inputting social housing data, managing the waitlist, and monitoring vacancies; however, the functionality associated with using this software is limited. Additionally, manual processes are often required when using Yardi, such as manipulation of reports and uploading scanned hardcopies of applications. Consequently, HAC is in the process of exploring a single web-based information technology system with 7 other Municipal Service Managers through the Housing Collaborative Initiative (HCI).

Business Impact:

There is a potential risk that the manual processes and limited functionality inherent in the existing software is leading to inefficiencies and ineffective management and monitoring activities.

Action Plan:

It is recommended that the City continue to support HCI. Furthermore, it is recommended that the Housing Division consider including the following features and functionalities in the new web-based system:

- Staff access controls;
- Ability for users to submit their applications and supporting documents online;
- Blank field and character logic to mitigate against submission of incomplete/inaccurate forms;
- Unit vacancy tracking capabilities; and
- Flexibility to eventually support integration of choice-based letting programs

Action Plan Lead:

Manager, Social Housing Administration

Timing:

Seek financial support - Summer 2014
Implementation - June 30, 2016

#2: Network and bandwidth capacity

Observation:

HAC is in the process of working with ITS to resolve ongoing network and bandwidth capacity issues.

Business Impact:

There is a potential risk that HAC will not be able to benefit from new technologies or participate in the Housing Collaborative Initiative for a web-based housing information system without network and bandwidth capacity enhancements.

Action Plan:

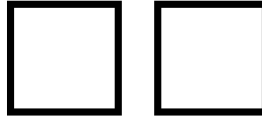
It is recommended that HAC management continue to work with ITS to resolve its network and bandwidth capacity issues. In the short-term, this may involve connecting HAC's IT systems to the City's network through installation of a fibre cable. Improved network and bandwidth will be critical for HAC to benefit from participation in the Housing Collaborative Initiative.

Action Plan Lead:

Manager of Rent Supplement & Tenant Selection

Timing:

September 30, 2014



#3: Choice-based letting

Observation:

When a unit becomes vacant, applicants on the waiting list are contacted to ascertain their interest in renting the unit. However, it can often be difficult and time-consuming to track down applicants to inform them of the vacancy. Legislation permits applicants to decline the opportunity to rent an available unit three times before they are removed from the waiting list.

Business Impact:

There is a risk that the current process for allocating housing is inefficient as it can require considerable time and effort to locate applicants and fill the unit vacancy. The lack of choice inherent in the current process may also be ineffective as it does not necessarily match suitable applicants with desired housing arrangements. These risks can lead to prolonged vacancies, weakened customer satisfaction, and higher subsidy costs for the City.

Action Plan:

Various governments around the world have implemented choice-based letting (“CBL”) programs which allow applicants to view all available advertised units and apply to those for which they are matched (based on urgency of need, length of time on the waitlist, etc.). The potential benefits of CBL programs include vacancy management efficiencies and improved tenancy sustainment and satisfaction. Municipal Housing management are currently exploring the opportunity to implement a CBL program in conjunction with the Housing Division’s strategic plan to help manage the social housing waitlist in the City of London. It is recommended that, in defining the design and system requirements for the new social housing software, management consider its ability to eventually accommodate a CBL system since the success of a CBL program is contingent on a strong IT platform.

Action Plan Lead:

Manager, Social Housing Administration

Timing:

3-10 years in accordance with the Municipal Housing strategic plan

#4: Subsidized vacancy caps

Observation:

Unit vacancies are not reported to HAC by housing providers (HPs) on a consistently timely basis. While tenancy/vacancy confirmations are sent to all HPs twice annually, at any point in time, HAC's records may be outdated by as much as 6 months.

Reconciliations of returned confirmations indicate that, while HAC's records are substantially accurate, discrepancies still occur on a regular basis. It is important for HAC staff to be aware of vacancies because they can assist the HPs with locating tenants on the waitlist and liaise with Municipal Housing to ensure damaged units are restored. Currently, there are no incentives for HPs to report or fill vacancies in a timely manner as their units are subsidized by the City regardless of whether they are occupied or not.

Business Impact:

There is a potential risk that unreported vacancies could prolong the tenant placement process, thereby increasing subsidy costs to the City.

Action Plan:

To mitigate against the issue of prolonged unit vacancies, other municipalities in Ontario have enforced vacancy caps whereby subsidies are clawed back as part of the Annual Information Return process for individual vacancies extending beyond a specified period of time. It is recommended that Municipal Housing management investigate the opportunity to enforce a vacancy cap whereby subsidies are clawed back from HPs as part of the Annual Information Return process for individual vacancies extending beyond a specified period of time without a business case for extenuating circumstances. It is currently estimated that if the length of vacancies was reduced by 10%, this could result in annual savings of approximately \$50k.

Action Plan Lead:

Manager, Social Housing Administration

Timing:

December 31, 2014



#5: Shared information

Observation:

Applicants have expressed frustration in having to provide the same personal information when applying for different services within the City. Additionally, HAC staff often encounter difficulties and delays in obtaining this personal information from applicants. Currently, there is no corporate direction which encourages the sharing of specified client information across divisions within the City.

Business Impact:

There is a risk that the current process of obtaining applicant information is duplicated amongst service areas within the City, leading to customer dissatisfaction and administrative inefficiencies.

Action Plan:

In order to improve customer service in line with the “At Your Service” corporate initiative, it is recommended that the City investigate the possibility of sharing certain client information across specified divisions within the City in accordance with legislation. In conducting this investigation, the City should determine which types of client information can legally and legislatively be shared across service areas with the explicit consent of applicants. Furthermore, as HAC maintains electronic copies of all client documentation, the City should consider leveraging Sharepoint as the platform for efficiently sharing and controlling access to confidential client information. Sharepoint should only be pursued so long as adequate controls are implemented to ensure access to personal or sensitive information is restricted to authorized personnel.

Action Plan Lead:

City Clerk

Timing:

June 30, 2015

#6: Application intake

Observation:

Customer Service Clerks (CSCs) exercise judgment in evaluating an applicant’s suitability for subsidized housing. However, this initial screening process has proven to be ineffective in some situations, as clients in need of services from other departments have mistakenly been directed to apply for subsidized housing. For example, applicants requiring renovations to their homes for purposes of accommodating a disability may be directed to submit applications for subsidizing housing, when in fact, they should be submitting the application for disability accommodation services.

Business Impact:

There is a potential risk that CSCs do not have the knowledge to effectively direct clients to submit applications for the appropriate services. This can result in clients not receiving the appropriate services; misdirected staff time spent acknowledging and assessing applications for individuals who do not require subsidized housing, and longer waitlists.

Action Plan:

It is recommended that training be provided to HAC staff in the areas of: 1) initial applicant screening for purposes of determining eligibility, 2) housing services provided by the Housing Division, 3) alternative housing options and community supports, and 4) processes for referring individuals to the appropriate service location. This is aligned with Municipal Housing’s strategic objectives to centralize Housing Division application review and eligibility determination services within HAC and strengthen the initial client housing needs assessment and service navigation processes within the City and community at large.

Action Plan Lead:

Manager of Rent Supplement & Tenant Selection

Timing:

December 31, 2014

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#7: Communications to applicants

Observation:

Communications, such as acknowledgement and assessment letters, are sent to applicants via mail instead of by email, regardless of whether email addresses are included on the application forms. Consequently, HAC staff and housing providers encounter communication difficulties as applicants' mailing addresses frequently change.

Business Impact:

The current process for communicating and following-up with applicants may be an inefficient use of resources.

Action Plan:

- a) It is recommended that applicants be communicated to via email where possible, or should be asked what the preferred communication method is for them. HAC management should also consider revising the application forms to include a space for the alternate contact's email address in the event that the applicant cannot be reached. Furthermore, HAC staff should use the general HAC email account which has been created to communicate with applicants, to protect information about HAC staff.

- b) In determining the functionalities of the new HCI web-based system, Municipal Housing management should consider integrating an email validation feature which requires the applicant to verify the authenticity of his/her email address before the application can be submitted. Email communications should consider applicable anti-spam legislation, which requires explicit consent from the recipient and a description in each email about how to opt-out of future communications

Action Plan Lead:

- a) Manager of Rent Supplement & Tenant Selection
- b) Manager, Social Housing Administration

Timing:

- a) December 31, 2014
- b) June 30, 2016

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APPENDIX B – Engineering & Environmental Services: Solid Waste - Landfill process review

Summary of Risks & Scope

Engineering & Environmental Services: Solid Waste - Landfill process review

Scope

- Efficiency and effectiveness of landfill operation processes and controls
- Landfill capital projects and reserve fund planning
- Landfill disposal fee structure and economics, including purchasing, and revenue opportunities such as carbon credits
- Long-term initiatives and financial

Potential Risks

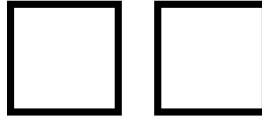
- Landfill operation processes may be inefficient and ineffective, resulting in loss of revenue or excess costs.
- Inadequate back up plans for system failure may lead to poor customer service and inaccurate measurements.
- Tipping fee rates charged may not be in line with approved rates or with competition.
- The reserve fund may not be large enough to meet the needs of future expansion and capital expenditures.
- Disposal of waste could be provided at no charge if controls are not in place to prevent slippage.
- Long-term initiatives may not be acted upon in a timely manner.

Controls Operating Effectively

- Landfill operation processes and controls are operating effectively and the City is able to maintain a low cost for waste disposal through operation of its own landfill.
- Appropriate back up plans are in place and weigh scales are calibrated appropriately.
- Waste disposal fees to external customers are calculated and charged accurately, and are reasonable when comparing to other municipalities and competitors.
- The landfill equipment operating tender process is appropriately overseen by Purchasing and Supply and in line with City purchasing policies.
- Management has thoroughly explored revenue opportunities relating to carbon credits and has successfully generated \$35k of additional revenue and is currently in negotiations to sell more.

Value for Money Considerations

- The City should ensure the expansion approval process is started right away to prevent significant increases in waste disposal costs when W12A reaches capacity.



#1: Future expansion

Observation:

Currently, without expansion, the W12A Landfill is expected to reach capacity in 10 years. The Ministry of Environment (MOE) application and approval process for landfill expansion is timely and could take several years. The additional cost of waste disposal could have a significant impact on the City if expansion is not successful. Several initiatives have already been completed by the City to facilitate the MOE approval process (e.g., official plan approvals completed, Community Enhancement and Mitigate Measures Program in place, Road Map 2.0 looking at waste diversion initiatives, etc.).

Business Impact:

There is a potential risk that the W12A landfill will reach capacity prior to receiving approval from the Ministry of Environment to expand. The additional cost to dispose of the City's waste without the current landfill site is approximately \$5 to \$10 million per year.

Action Plan:

It is recommended that the City continue the process of applying for an expansion of the W12A Landfill with the Ministry of Environment and ensure that it remains one of the highest priorities for the division. It is also recommended that the City of London continue to investigate waste diversion initiatives which in turn will delay the required future expansion.

Action Plan Lead:

Director of Environment, Fleet and Solid Waste & Division Manager, Solid Waste Management

Timing:

January 31, 2015

#2: Record of cash float control

Observation:

The landfill scale house receives 1% to 2% of its revenue in cash for disposal of residential waste. Counting and recording the cash float is completed twice daily, at the beginning and end of each shift. A record of the date, float amount and the employee who performed the count is not consistently recorded.

Business Impact:

There is a risk that the float amount could be inaccurate for a period of time and management will be unable to determine when and why there was a variance in the float amount.

Action Plan:

It is recommended the date, amount and employee responsible for counting the float is recorded at the beginning and end of each shift. Any discrepancies should be investigated and reported to management.

Action Plan Lead:

Division Manager Solid Waste Management & Manager of Solid Waste Facilities

Timing:

Completed

Appendix C - Quarterly Report on Internal Audit Results

The Corporation of the City of London

Quarterly Report on Internal Audit Results

- Housing, Social Services & Dearness Home:
Housing Access Centre process review
- Engineering and Environmental Services:
Solid Waste – Landfill process review

June 25, 2014

Agenda

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Rating Scale – Opportunities for Improvement

- **Satisfactory**

Controls are present to mitigate process/business risk, however an opportunity exists for improvement.

Satisfactory



- **Needs Improvement**

Existing controls may not mitigate process/business risk and management should consider implementing a stronger control structure.

Needs
Improvement



- **Unsatisfactory**

Control weaknesses are significant and the overall exposure to risk is unacceptable. Immediate attention and oversight from management is required.

Unsatisfactory



***Housing, Social Services & Deerness Home:
Housing Access Centre process review***

Summary of Risks & Scope

Housing, Social Services & Deerness Home: Housing Access Centre process review

Scope

- Efficiency and effectiveness of application intake, acknowledgement and assessment processes
- Waitlist reporting
- Collaboration and communication with key stakeholder groups, including applicants, housing providers and social service agencies
- Vacancy management initiatives and policies
- Compliance with key regulatory requirements

Potential Risks

- Manual application intake processes may be inefficient and ineffective, resulting in misused resources and weakened customer service.
- Inadequate application criteria and form design may lead to inappropriate tenant selection and/or additional staff time spent following up on incomplete applications.
- Acknowledgement and assessment of applications may not be completed on a timely basis in accordance with regulations.
- Ineffective communication and collaboration with stakeholders may result in duplication of efforts in areas such as waitlist reporting.
- IT infrastructure may not support business activities.
- Vacancies may go unreported, potentially delaying units from being filled.
- Waitlist and housing data may be inaccurate and incomplete, resulting in the inability to analyze data and run meaningful reports.
- Current tenant placement model may not support efficiencies on a long-term basis.

Controls Operating Effectively

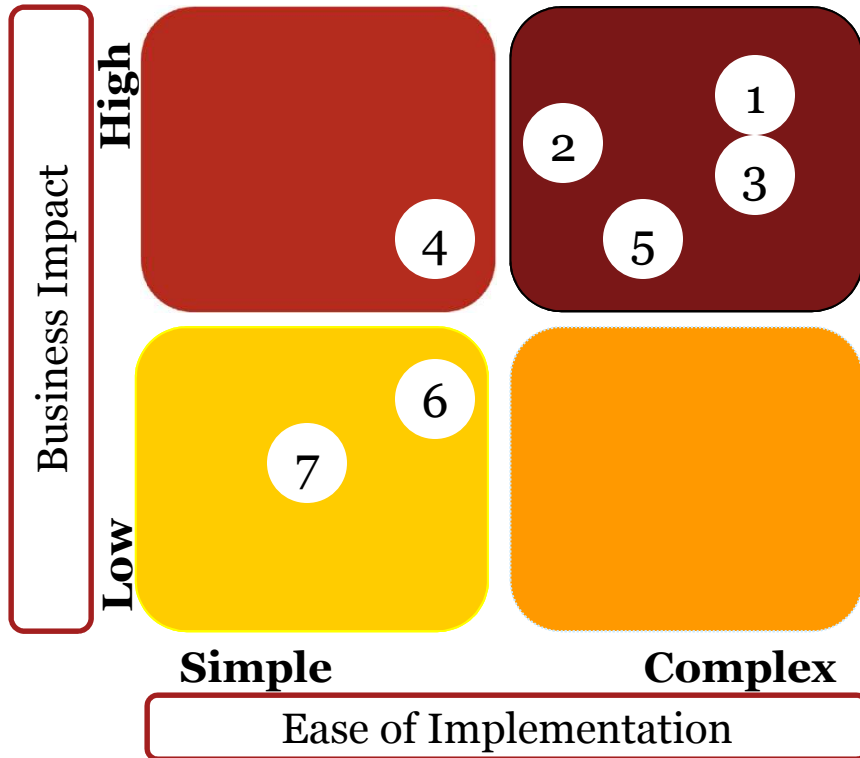
- The Housing Access Centre (HAC) functions as a paperless office leading to efficiencies and cost savings.
- Effective internal controls include documented policies and procedures, tracking tools to measure and report on KPIs, appropriate segregation of duties, and standardized forms, letters and checklists.
- Staff verify approximately 1/6th of the unit tenancy data with housing providers on a monthly basis, resulting in each unit's tenancy being verified twice annually.
- Reviews are completed on every file at least once in a 24 month period to re-assess eligibility for rent-geared-to-income assistance.
- An internal review/appeal process is followed by staff to ensure applicants are treated fairly and consistently.

Value for Money Considerations

- If the City implements vacancy caps, subsidies could be reduced. A 10% decrease in the length of vacancies could save the City \$50K annually in subsidies.
- In addition, improved efficiencies could lead to future cost savings.

Action Plan Summary

Housing, Social Services & Dearness Home: Housing Access Centre process review



Observations	Timing	Rating
#1: Implementation of web-based housing database	Summer 2014 - June 30, 2016	Needs Improvement
#2: Network and bandwidth capacity	September 30, 2014	Needs Improvement
#3: Choice-based letting	3-10 years	Needs Improvement
#4: Subsidized vacancy caps	December 31, 2014	Needs Improvement
#5: Shared information	June 30, 2015	Needs Improvement
#6: Application intake	December 31, 2014	Satisfactory
#7: Communications to applicants	a) December 31, 2014 b) June 30, 2016	Satisfactory

- High Business Impact, Easy to Implement
- High Business Impact, Difficult to Implement
- Low Business Impact, Easy to Implement
- Low Business Impact, Difficult to Implement

Observations & Action Plans -#1

Needs Improvement 

Housing, Social Services & Dearness Home: Housing Access Centre process review

Observation

Implementation of web-based housing database

Staff currently use Yardi software for inputting social housing data, managing the waitlist, and monitoring vacancies; however, the functionality associated with using this software is limited. Additionally, manual processes are often required when using Yardi, such as manipulation of reports and uploading scanned hardcopies of applications. Consequently, HAC is in the process of exploring a single web-based information technology system with 7 other Municipal Service Managers through the Housing Collaborative Initiative (HCI).

Business Impact

There is a potential risk that the manual processes and limited functionality inherent in the existing software is leading to inefficiencies and ineffective management and monitoring activities.

Action Plan

It is recommended that the City continue to support HCI. Furthermore, it is recommended that the Housing Division consider including the following features and functionalities in the new web-based system:

- Staff access controls;
- Ability for users to submit their applications and supporting documents online;
- Blank field and character logic to mitigate against submission of incomplete/inaccurate forms;
- Unit vacancy tracking capabilities; and
- Flexibility to eventually support integration of choice-based letting programs

Action Plan Lead

Manager, Social Housing Administration

Timing

Seek financial support - Summer 2014
Implementation - June 30, 2016

Observations & Action Plans -#2

Needs Improvement 

Housing, Social Services & Dearness Home: Housing Access Centre process review

Observation

Network and bandwidth capacity

HAC is in the process of working with ITS to resolve ongoing network and bandwidth capacity issues.

Business Impact

There is a potential risk that HAC will not be able to benefit from new technologies or participate in the Housing Collaborative Initiative for a web-based housing information system without network and bandwidth capacity enhancements.

Action Plan

It is recommended that HAC management continue to work with ITS to resolve its network and bandwidth capacity issues. In the short-term, this may involve connecting HAC's IT systems to the City's network through installation of a fibre cable. Improved network and bandwidth will be critical for HAC to benefit from participation in the Housing Collaborative Initiative.

Action Plan Lead

Manager of Rent Supplement & Tenant Selection

Timing

September 30, 2014

Observations & Action Plans -#3

Needs Improvement 

Housing, Social Services & Dearness Home: Housing Access Centre process review

Observation

Choice-based letting

When a unit becomes vacant, applicants on the waiting list are contacted to ascertain their interest in renting the unit. However, it can often be difficult and time-consuming to track down applicants to inform them of the vacancy. Legislation permits applicants to decline the opportunity to rent an available unit three times before they are removed from the waiting list.

Business Impact

There is a risk that the current process for allocating housing is inefficient as it can require considerable time and effort to locate applicants and fill the unit vacancy. The lack of choice inherent in the current process may also be ineffective as it does not necessarily match suitable applicants with desired housing arrangements. These risks can lead to prolonged vacancies, weakened customer satisfaction, and higher subsidy costs for the City.

Action Plan

Various governments around the world have implemented choice-based letting (“CBL”) programs which allow applicants to view all available advertised units and apply to those for which they are matched (based on urgency of need, length of time on the waitlist, etc.). The potential benefits of CBL programs include vacancy management efficiencies and improved tenancy sustainment and satisfaction. Municipal Housing management are currently exploring the opportunity to implement a CBL program in conjunction with the Housing Division’s strategic plan to help manage the social housing waitlist in the City of London. It is recommended that, in defining the design and system requirements for the new social housing software, management consider its ability to eventually accommodate a CBL system since the success of a CBL program is contingent on a strong IT platform.

Action Plan Lead

Manager, Social Housing Administration

Timing

3-10 years in accordance with the Municipal Housing strategic plan

Observations & Action Plans -#4

Needs Improvement 

Housing, Social Services & Dearness Home: Housing Access Centre process review

Observation

Subsidized vacancy caps

Unit vacancies are not reported to HAC by housing providers (HPs) on a consistently timely basis. While tenancy/vacancy confirmations are sent to all HPs twice annually, at any point in time, HAC's records may be outdated by as much as 6 months.

Reconciliations of returned confirmations indicate that, while HAC's records are substantially accurate, discrepancies still occur on a regular basis. It is important for HAC staff to be aware of vacancies because they can assist the HPs with locating tenants on the waitlist and liaise with Municipal Housing to ensure damaged units are restored. Currently, there are no incentives for HPs to report or fill vacancies in a timely manner as their units are subsidized by the City regardless of whether they are occupied or not.

Business Impact

There is a potential risk that unreported vacancies could prolong the tenant placement process, thereby increasing subsidy costs to the City.

Action Plan

To mitigate against the issue of prolonged unit vacancies, other municipalities in Ontario have enforced vacancy caps whereby subsidies are clawed back as part of the Annual Information Return process for individual vacancies extending beyond a specified period of time. It is recommended that Municipal Housing management investigate the opportunity to enforce a vacancy cap whereby subsidies are clawed back from HPs as part of the Annual Information Return process for individual vacancies extending beyond a specified period of time without a business case for extenuating circumstances. It is currently estimated that if the length of vacancies was reduced by 10%, this could result in annual savings of approximately \$50k.

Action Plan Lead

Manager, Social Housing Administration

Timing

December 31, 2014

Observations & Action Plans -#5

Needs Improvement 

Housing, Social Services & Dearness Home: Housing Access Centre process review

Observation

Shared information

Applicants have expressed frustration in having to provide the same personal information when applying for different services within the City. Additionally, HAC staff often encounter difficulties and delays in obtaining this personal information from applicants. Currently, there is no corporate direction which encourages the sharing of specified client information across divisions within the City.

Business Impact

There is a risk that the current processes of obtaining applicant information is duplicated amongst service areas within the City, leading to customer dissatisfaction and administrative inefficiencies.

Action Plan

In order to improve customer service in line with the “At Your Service” corporate initiative, it is recommended that the City investigate the possibility of sharing certain client information across specified divisions within the City in accordance with legislation. In conducting this investigation, the City should determine which types of client information can legally and legislatively be shared across service areas with the explicit consent of applicants. Furthermore, as HAC maintains electronic copies of all client documentation, the City should consider leveraging Sharepoint as the platform for efficiently sharing and controlling access to confidential client information. Sharepoint should only be pursued so long as adequate controls are implemented to ensure access to personal or sensitive information is restricted to authorized personnel.

Action Plan Lead

City Clerk

Timing

June 30, 2015

Observations & Action Plans -#6

Satisfactory



Housing, Social Services & Dearness Home: Housing Access Centre process review

Observation

Application intake

Customer Service Clerks (CSCs) exercise judgment in evaluating an applicant's suitability for subsidized housing. However, this initial screening process has proven to be ineffective in some situations, as clients in need of services from other departments have mistakenly been directed to apply for subsidized housing. For example, applicants requiring renovations to their homes for purposes of accommodating a disability may be directed to submit applications for subsidizing housing, when in fact, they should be submitting the application for disability accommodation services.

Business Impact

There is a potential risk that CSCs do not have the knowledge to effectively direct clients to submit applications for the appropriate services. This can result in clients not receiving the appropriate services, misdirected staff time spent acknowledging and assessing applications for individuals who do not require subsidized housing, and longer waitlists.

Action Plan

It is recommended that training be provided to HAC staff in the areas of: 1) initial applicant screening for purposes of determining eligibility, 2) housing services provided by the Housing Division, 3) alternative housing options and community supports, and 4) processes for referring individuals to the appropriate service location. This is aligned with Municipal Housing's strategic objectives to centralize Housing Division application review and eligibility determination services within HAC and strengthen the initial client housing needs assessment and service navigation processes within the City and community at large.

Action Plan Lead

Manager of Rent Supplement & Tenant Selection

Timing

December 31, 2014

Observations & Action Plans -#7

Satisfactory



Housing, Social Services & Dearness Home: Housing Access Centre process review

Observation

Communications to applicants

Communications, such as acknowledgement and assessment letters, are sent to applicants via mail instead of by email, regardless of whether email addresses are included on the application forms. Consequently, HAC staff and housing providers encounter communication difficulties as applicants' mailing addresses frequently change.

Business Impact

The current process for communicating and following-up with applicants may be an inefficient use of resources.

Action Plan

- a) It is recommended that applicants be communicated to via email where possible, or should be asked what the preferred communication method is for them. HAC management should also consider revising the application forms to include a space for the alternate contact's email address in the event that the applicant cannot be reached. Furthermore, HAC staff should use the general HAC email account which has been created to communicate with applicants, to protect information about HAC staff.
- b) In determining the functionalities of the new HCI web-based system, Municipal Housing management should consider integrating an email validation feature which requires the applicant to verify the authenticity of his/her email address before the application can be submitted. Email communications should consider applicable anti-spam legislation, which requires explicit consent from the recipient and a description in each email about how to opt-out of future communications.

Action Plan Lead

- a) Manager of Rent Supplement & Tenant Selection
- b) Manager, Social Housing Administration

Timing

- a) December 31, 2014
- b) June 30, 2016

***Engineering & Environmental Services:
Solid Waste – Landfill process review***

Summary of Risks & Scope

Engineering & Environmental Services: Solid Waste - Landfill process review

Scope

- Efficiency and effectiveness of landfill operation processes and controls
- Landfill capital projects and reserve fund
- Landfill disposal fee structure and economics, including purchasing, and revenue opportunities such as carbon credits
- Long-term initiatives and financial planning

Potential Risks

- Landfill operation processes may be inefficient and ineffective, resulting in loss of revenue or excess costs.
- Inadequate back up plans for system failure may lead to poor customer service and inaccurate measurements.
- Tipping fee rates charged may not be in line with approved rates or with competition.
- The reserve fund may not be large enough to meet the needs of future expansion and capital expenditures.
- Disposal of waste could be provided at no charge if controls are not in place to prevent slippage.
- Long-term initiatives may not be acted upon in a timely manner.

Controls Operating Effectively

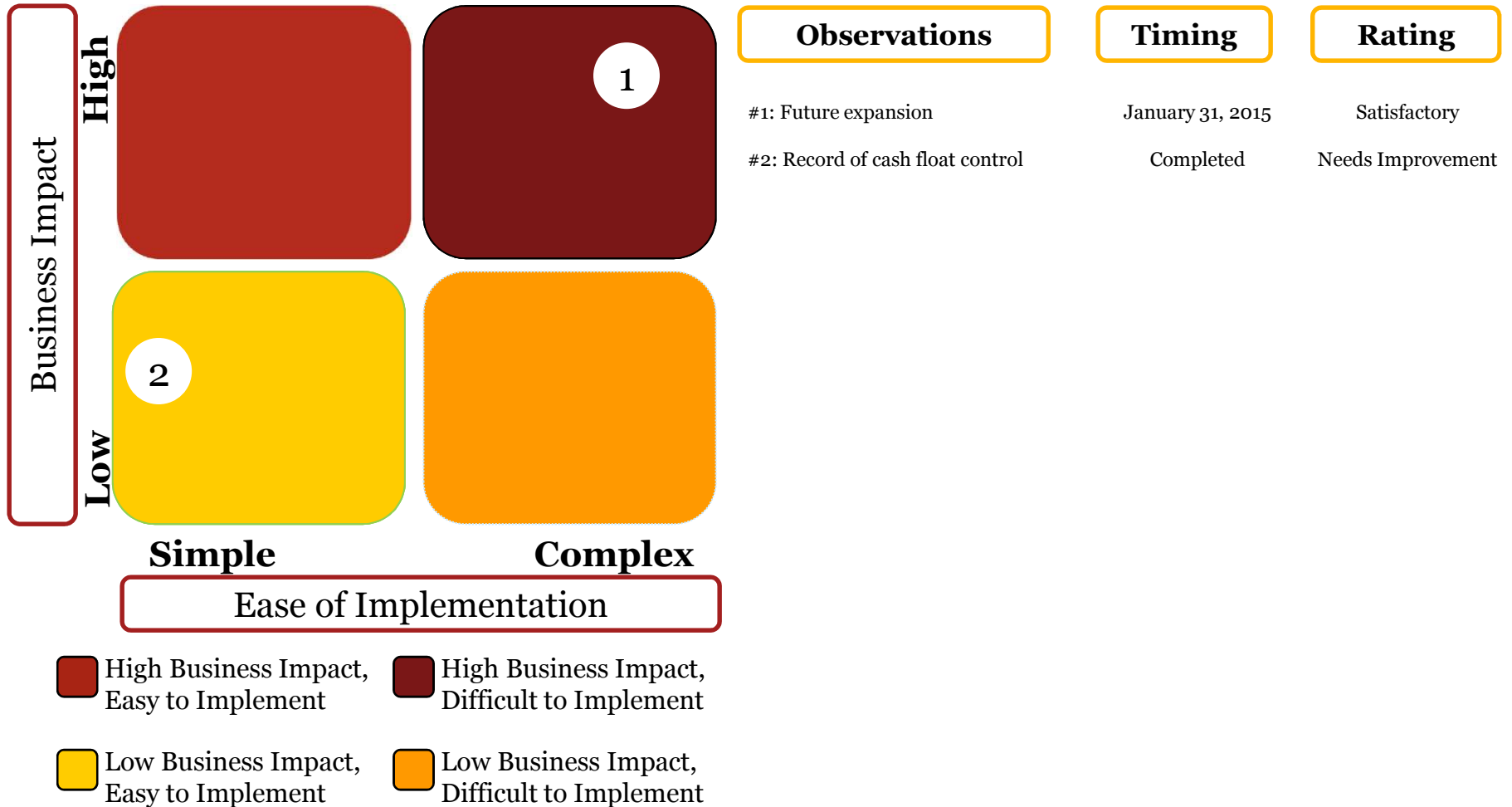
- Landfill operation processes and controls are operating effectively and the City is able to maintain a low cost for waste disposal through operation of its own landfill.
- Appropriate back up plans are in place and weigh scales are calibrated appropriately.
- Waste disposal fees to external customers are calculated and charged accurately, and are reasonable when comparing to other municipalities and competitors.
- The landfill equipment operating tender process is appropriately overseen by Purchasing and Supply and in line with City purchasing policies.
- Management has thoroughly explored revenue opportunities relating to carbon credits and has successfully generated \$35k of additional revenue and is currently in negotiations to sell more.

Value-for-Money Considerations

- The City should ensure the expansion approval process is started right away to prevent significant increases in waste disposal costs when W12A reaches capacity.

Action Plan Summary

Engineering and Environmental Services: Solid Waste - Landfill process review



Observations & Action Plans -#1

Satisfactory



Engineering & Environmental Services: Solid Waste - Landfill process review

Observation

Future expansion

Currently, without expansion, the W12A Landfill is expected to reach capacity in 10 years. The Ministry of Environment (MOE) application and approval process for landfill expansion is timely and could take several years. The additional cost of waste disposal could have a significant impact on the City if expansion is not successful. Several initiatives have already been completed by the City to facilitate the MOE approval process (e.g., official plan approvals completed, Community Enhancement and Mitigate Measures Program in place, Road Map 2.0 looking at waste diversion initiatives, etc.).

Business Impact

There is a potential risk that the W12A landfill will reach capacity prior to receiving approval from the Ministry of Environment to expand. The additional cost to dispose of the City's waste without the current landfill site is approximately \$5 to \$10 million per year.

Action Plan

It is recommended that the City continue the process of applying for an expansion of the W12A Landfill with the Ministry of Environment and ensure that it remains one of the highest priorities for the division. It is also recommended that the City of London continue to investigate waste diversion initiatives which in turn will delay the required future expansion.

Action Plan Lead

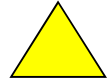
Director of Environment, Fleet and Solid Waste & Division Manager, Solid Waste Management

Timing

January 31, 2015

Observations & Action Plans -#2

Needs
Improvement



Engineering & Environmental Services: Solid Waste - Landfill process review

Observation

Record of cash float control

The landfill scale house receives 1% to 2% of its revenue in cash for disposal of residential waste. Counting and recording the cash float is completed twice daily, at the beginning and end of each shift. A record of the date, float amount and the employee who performed the count is not consistently recorded.

Business Impact

There is a risk that the float amount could be inaccurate for a period of time and management will be unable to determine when and why there was a variance in the float amount.

Action Plan

It is recommended the date, amount and employee responsible for counting the float is recorded at the beginning and end of each shift. Any discrepancies should be investigated and reported to management.

Action Plan Lead

Division Manager Solid Waste Management & Manager of Solid Waste Facilities

Timing

Completed

Internal Audit Scorecard – June 2014

		Key Measures	TARGET	Jan	Feb	Mar	Apr	May	Jun
CORPORATE STRATEGY	Audit Committee	Approval of annual risk-based audit plan	Y	Y	Y	Y	Y	Y	Y
		Number of reports presented to the Audit Committee	4	1	1	1	1	1	2
		Timely reporting of recommendations	Y	Y	Y	Y	Y	Y	Y
		Estimated quantification of Value-for-Money for current year projects (2014)		\$0	\$0	\$0	\$0	\$50k	\$50k
	Management/ Auditees	Number of closing meetings held with management	8	0	0	0	0	2	2
		Number of concise, value-added recommendations		0	0	0	0	9	9
INTERNAL AUDIT STRATEGY	Innovation/ Capabilities	Number of best practices identified by internal audit		0	0	0	0	9	9
		Use of internal audit resources and processes	Y	Y	Y	Y	Y	Y	Y
	Internal Audit Processes	Percentage of projects completed	100%	0%	0%	10%	20%	25%	25%
		Completion of annual risk assessment and updates to audit plan	Y	Y	Y	Y	Y	Y	Y

Rating Scale – Status of Past Project Action Plans

Closed

All action plans have been addressed by the appointed Action Plan Lead.

On Track

All action plans targeted for completion have been addressed. Action Plan Leads are progressing well towards future action plan targets.

Some Delays

Some action plans targeted for completion have not been addressed. Action Plan Leads have revised some targets.

Not Addressed

Action plans targeted for completion have not been addressed by the appointed Action Plan Lead.

Status of Past Project Action Plans

Project	Status
Technology Services - Information Security Governance Assessment - <i>Corporate Services/Information Technology</i> (2011)	Timeline Deferred to 2016
Time Off Provisions - <i>Corporate Services /Human Resources</i> (2011)	Some Delays
Municipal Housing Finance and Monitoring - <i>Housing and Social Services</i> (2011)	On Track
Financial Management - <i>Housing and Social Services</i> (2012)	Closed
Succession Planning - <i>Corporate Services/Human Resources</i> (2012)	Some Delays
Urban Forestry and Planning Application Processes - <i>Planning</i> (2013)	Some Delays
Budgeting Process - <i>Corporate Services/Finance</i> (2013)	Some Delays
Property Tax Assessment and Collection - <i>Corporate Services / Finance</i> (2013)	Some Delays
Facilities and Property Utilization - <i>Corporate Services / Finance</i> (2013)	Some Delays
Revenue Strategies - <i>Parks & Recreation</i> (2013)	On Track
Project Management and System Prioritization - <i>Corporate Services /Information Technology</i> (2013)	Timeline Deferred to 2016

Delayed Action Plans: Technology Services - Information Security
 Governance Assessment - *Corporate Services/Information Technology* (2011)

#	Action Plan	Original Expected Target Date	Revised Expected Target Date	Reason(s) for Delay(s) and Management Action Plans for Completion
5	TSD should implement formal compliance management processes with roles and responsibilities as well as relevant statutory, regulatory and contractual requirements clearly defined. TSD should consider whether external resources should be consulted to support the implementation of these compliance management processes.	31-Dec-12	31-Dec-16	Some legacy systems still require documentation. Documentation has been done for newer systems as they are implemented. Rationalization of programs is in progress which will identify which legacy systems still require documentation. Documentation should include processes and roles and responsibilities for compliance management and relevant statutory/regulatory/contractual requirements, as well as business continuity and disaster recovery plans. Business continuity and disaster recovery plans are corporate wide in scope and dependent on service area involvement.
9	TSD should create a documentation plan to ensure adequate documentation is maintained for all systems. TSD should examine the need for resource alignment for better allocation of resources.	31-Dec-12	31-Dec-16	
10	TSD should continue development of its DR and BCP plans. The plans should document and clearly define backup and restore procedures. Regular restore tests outside of the normal restore process should occur daily.	31-Dec-12	31-Dec-16	

Delayed Action Plans: Time Off Provisions - Corporate Services /Human Resources (2011)

#	Action Plan	Original Expected Target Date	Revised Expected Target Date	Reason(s) for Delay(s) and Management Action Plans for Completion
4	<p>It is recommended that the input and approval of timesheets is performed electronically rather than manually. This would involve activating attendance system licenses for all employees and requiring employees to input their own timesheets into the system directly. The applicable Department Managers/Supervisors would then be required to review and approve the payroll data entered by their employees for the pay period in the attendance system. If a Department Manager/Supervisor identifies an error in what the employee has posted, they will be required to correct it before approving that payroll data.</p> <p>It is also recommended that the "Exception Report" and follow-up adjustment reports are eliminated entirely, as there will no longer be a need for these manual reports.</p> <p>It is recommended that the electronic process described be implemented for Management and Local 101 employees as soon as the attendance system testing is complete and feasibility is confirmed.</p>	31-Dec-12	31-Dec-14	Completion of this action plan is contingent upon the completion of the Kronos restart project which as been delayed to the fall of 2014.

Delayed Action Plans: Time Off Provisions - Corporate Services /Human Resources (2011)

#	Action Plan	Original Expected Target Date	Revised Expected Target Date	Reason(s) for Delay(s) and Management Action Plans for Completion
6	<p>It is recommended that the City consider and investigate the opportunity of implementing an automated vacation request and approval process that interfaces with the attendance system. This automated system should have built-in controls to only allow vacation requests that are in compliance with the requesting employee's applicable collective agreement or Management Policy. If in compliance, the request should be electronically directed to the appropriate Manager/Supervisor for approval. If possible, electronic timesheets in the attendance system should also be pre-populated based on the approved requests to prevent possible errors in the completion of timesheets by employees. In the interim, the current manual process should be updated as follows:</p> <ol style="list-style-type: none"> 1) Vacation requests should be documented by the requesting employee and retained by their Manager/Supervisor 2) Notification of approved vacation requests should be forwarded to Payroll immediately upon Manager/Supervisor approval of the request. Payroll should input the vacation request into the attendance system at that time, allowing them to pre-populate employee timesheets based on the approved vacation requests. 	31-Dec-12	31-Dec-14	Completion of this action plan is contingent upon the completion of the Kronos restart project which as been delayed to the fall of 2014.

Delayed Action Plans: Time Off Provisions - Corporate Services /Human Resources (2011)

#	Action Plan	Original Expected Target Date	Revised Expected Target Date	Reason(s) for Delay(s) and Management Action Plans for Completion
7	It is noted that the recent reorganization of HR to include the group responsible for updating the attendance system has increased communication between the parties involved. In addition to continued and regular communication between these parties in order to ensure that the attendance system is updated as required in order to reflect the appropriate terms and conditions for each of the current collective agreements, notices and corporate policies, it is recommended that an objective audit is performed that focuses on ensuring that the current systems and processes are reflective of current collective agreements, notices and corporate policies. Going forward, it is also recommended that an audit is performed within twelve months of any change to collective agreements, notices or corporate policies as a result of collective bargaining or issuance of a new corporate policy.	31-Dec-12	31-Dec-14	Regular meetings between the Systems and Labour Relations area have occurred to ensure system setup changes are in compliance with newly negotiated and/or new legislated changes. A collective agreement compliance review plan of existing setup is being developed as part of the Kronos restart project. The compliance review will occur following the completion of the Kronos restart project in the fall of 2014.

Delayed Action Plans: Succession Planning - Corporate Services/Human Resources (2012)

#	Action Plan	Previously Revised Expected Target Date	Revised Expected Target Date	Reason(s) for Delay(s) and Management Action Plans for Completion
7	It is recommended that management, in consultation with HR, ensure all members of the talent pool are provided with individualized training and developmental opportunities designed to prepare them to potentially fulfill critical positions in the future.	31-Mar-14	31-Dec-14	The process for developing individualized training and development opportunities requires the combined resources of the Corporate Training Team, the Talent Pool Member, the Manager and potentially the current incumbent within the position. Consequently, scheduling challenges have resulted in postponed meetings for some members of the talent pool. Corporate Training has rescheduled meetings as needed and continues to follow up on the assessments which have been provided.
8	It is recommended that HR, in consultation with management, monitor the success of training and developmental opportunities and the progress of members of the talent pool against their individual training and development plans in accordance with succession planning objectives.	30-Sep-14	31-Dec-15	Completion of this action plan is dependent upon completion of the individualized training and development plans as identified in action plan #7 above. As all individualized training and development plans are expected to be completed by the end of 2014, monitoring activities are expected to be in progress by the end of 2015.

Delayed Action Plans: Urban Forestry and Planning Application Processes – Planning (2013)

#	Action Plan	Original Expected Target Date	Revised Expected Target Date	Reason(s) for Delay(s) and Management Action Plans for Completion
4	<p>1) It is recommended that Urban Forestry Section staff continue the process of reviewing and amending the Boulevard Tree By-law, as required. This includes amending the By-law such that it is made more flexible for those citizens wishing to plant their own trees. This may include creating an approved vendor/tree listing.</p> <p>2) It is also recommended that permits and tickets are issued strictly in accordance with the by-law.</p> <p>3) Finally, it is recommended that management consider re-allocating the by-law enforcement function.</p>	31-Dec-13	31-Oct-14	<p>1) Due to limited staff and other work priorities revisions to the by-law have been delayed. Staff have also considered including the ability for residents to plant their own trees on boulevards and the recommendation was reported to Planning and Environment Committee in October as part of the EAB strategy.</p> <p>2) Completed</p> <p>3) Completed</p>
12	It is recommended that the final application report template be updated and approved by the City Clerk's Office in order to minimize length and improve consistency in reporting.	31-Dec-13	30-Sept-14	Completion of this action plan is dependent upon ODEA requirements. The province is currently in the process of updating and changing the requirements and the City must be compliant with the requirements. As such, the recommendation will be completed after the changes to the ODEA requirements are completed.
13	It is recommended that the application process mapping is updated according to current business practices and requirements under the Planning Act. This document should be provided to all planning staff involved in the planning application process and integrated into training of new planners. Finally, this document should be reviewed annually to ensure the process is in compliance with the Planning Act in contemplation of any recent amendments.	31-Dec-13	30-Sept-14	Management has commenced the update of the application process and in doing so noted a more detailed process manual was more useful than updating the prior document. The manual is approximately 80% complete with the expectation of final completion is September 2014

Delayed Action Plans: Budgeting Process - Corporate Services/Finance (2013)

#	Action Plan	Original Expected Target Date	Revised Expected Target Date	Reason(s) for Delay(s) and Management Action Plans for Completion
4	<p>It is recommended that the City investigate implementing multi-year budgeting by:</p> <p>1) Continuing to obtain City Council approval of the multi-year forecast for the 2014 budget, and;</p> <p>2) Obtaining City Council approval of a multi-year budget at the commencement of the next Council term, as a means of streamlining the budgeting process and improving long-term financial planning. A threshold should be determined above which approval would be required for any budget changes.</p>	<p>1) 2014 budget</p> <p>2) 2015 budget</p>	<p>2) 2016 budget</p>	<p>1) Completed</p> <p>2) The timing for implementing the multi-year budget was discussed extensively with the Finance leadership team. It was eventually determined that a multi-year budget could not be implemented for the 2015 budget because that approval would be required shortly after the new Council was elected. Management has decided that the concept will be discussed with Council during 2015 budget deliberations, however, the full multi-year approval will not be introduced until the 2016 budget in order to provide more time for the new Councilors to become familiarized with the budget process.</p>
9	<p>It is recommended FBAs are granted JDE access to update expenditure detail records for capital projects. Ultimate approval, assignment of funds, and completion of project creation process would be required by FP&P before the project is undertaken.</p>	31-Mar-14	31-May-15	<p>Decentralized entry for capital project creation was investigated and tested, however, management was not able to implement this in time for the 2015 budget. As such, the topic will be revisited for the 2016 budget cycle.</p>

Delayed Action Plans: Property Tax Assessment and Collection - Corporate Services / Finance (2013)

#	Action Plan	Original Expected Target Date	Revised Expected Target Date	Reason(s) for Delay(s) and Management Action Plans for Completion
1	<p>An opportunity to save costs exists by considering a transition to electronic billing from the current paper billing of all property tax invoices and reminders.</p> <p>The following municipalities have implemented this with corresponding acceptance rates: City of Hamilton – 2% City of Ottawa – 4.8% (water bills 8.8%)</p>	31-Mar-14	30-Sep-14	As a result of the IT project prioritization review, IT resources are currently unavailable to assist the Division Manager of Taxation and Revenue with the preparation of a business case for implementation of e-billing. This action plan is expected to be revisited by September 30, 2014.

Delayed Action Plans: Facilities and Property Utilization - Corporate Services / Finance (2013)

#	Action Plan	Original Expected Target Date	Revised Expected Target Date	Reason(s) for Delay(s) and Management Action Plans for Completion
8	It is recommended that the opportunity to automate utility bill processing be further explored. It is also recommended that all Facilities staff that work with the EnergyCAP system be given training on the various reports and full capabilities of the system.	31-Dec-13	31-Oct-14	The exploration of automating utility bill processing has been completed. Management is in the process of importing a custom data file from London Hydro and will be assessing it in a test environment in EnergyCAP. If successful, an export of the file will be made and then imported into JD Edwards. Training is expected to take place in the Fall of 2014. Management is currently on track to meet the October 31, 2014 revised expected target date.

Delayed Action Plans: Project Management and System Prioritization - Corporate Services /Information Technology (2013)

#	Action Plan	Original Expected Target Date	Revised Expected Target Date	Reason(s) for Delay(s) and Management Action Plans for Completion
2	Management should consider developing an ongoing process to collect, assess and report on risks, risk mitigation, risk impact, risk aggregation and interdependencies at a project and portfolio level to the specific project leadership team and to the ITSC at a project and program/portfolio level. Management should develop a process that includes a Risk Register containing identified risks for individual projects; Impact and probability ratings for each identified risk; a Risk Response for each identified risk; a risk assessment of the full portfolio.	30-Apr-14	31-Dec-16	Management needs to first focus on the completion of a comprehensive project listing, the development and implementation of a standardized project intake process, and the integration of service area wide project management processes, documentation and best practices - prior to moving forward with these identified actions.
3	The project governance framework should be updated to include the requirements for measuring project performance against key project performance criteria such as schedule, quality, cost, benefits/value attainment and risk as well as the identification of any deviations from the expected as part of the project lifecycle and upon completion/closure of the project.	31-Jul-14	31-Mar-16	

Delayed Action Plans: Project Management and System Prioritization - Corporate Services /Information Technology (2013) *Cont'd*

#	Action Plan	Original Expected Target Date	Revised Expected Target Date	Reason(s) for Delay(s) and Management Action Plans for Completion
4	Management should define an appropriate investment mix based on cost, alignment with strategy, and financial measures such as cost and expected ROI over the full economic life cycle, degree of risk, and type of benefit for the programs in the portfolio. ROI should be evaluated for all projects and revisited as project scope, cost, or time change. ROI, capacity, strategic alignment, funding availability, dependencies, and project categorization should be explicitly defined/presented to the ITSC for review/approval and updated and validated as changes occur. As part of this practice all projects should be aligned with the City Strategy.	31-Jul-14	31-Dec-16	Management needs to first focus on the completion of a comprehensive project listing, the development and implementation of a standardized project intake process, and the integration of service area wide project management processes, documentation and best practices - prior to moving forward with these identified actions.
5	The project governance framework and ITSC meetings should be updated to include a review/validation of the monitoring and performance of the investment portfolio and individual programs throughout the entire investment life cycle.	31-Jul-14	31-Dec-16	
6	A centralized portfolio management process, methods and technologies should be defined and implemented to manage the aggregated projects through strategic, governance, performance, communication and risk management capabilities at an enterprise level.	30-Sep-14	31-Mar-17	

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