

At the meeting of February 21, 2018, this report was deferred to the meeting of March 21, 2018.

**Report from** Financial Management Services, Accounting and Payroll

**Date of Report:** February 12, 2018

**Date of Meeting:** February 21, 2018

**Report Number:** FMS-B010-2018

**File:** 10.57.99

**Subject:** Recommendations from 2016 Auditor's Report Referred to Budget Standing Committee

## Recommendation

That this report be received for information; and

That staff be directed to forward this report to the City's external auditor for update of their files.

## Summary

This covering report provides updates to the staff responses included in Report FMS-237-2017.

## Background

At the City Council meeting of September 25, 2017, during consideration of Report [FMS-237-2017](#) (link provided and copy available upon request), the annual financial report for the year ended December 31, 2016 was approved, and the recommendations contained in the 2016 Auditor's management letter were referred to Budget Standing Committee (BSC).

Report FMS-237-2017 included the Auditor's management letter, as well as staff responses to the Auditor's recommendations.

## Report

### Donation Policy

The new donation policy has been drafted and will come forward to BSC in Q2 for consideration.

## Litigation Summary

Legal Services provided an annual litigation summary (LCS-006-2018) during the in-camera session of the Council meeting on January 15, 2018.

## **Fraudulent Transaction at St. Catharines Hydro**

St. Catharines Hydro Inc. and St Catharines Hydro Generation Inc. (Hydro) has changed financial institutions and is currently not set up to be able to make electronic payments or wires. Additionally, Hydro no longer has its own staff, so City staff have, for the time being, taken on financial and operational responsibilities that have been fulfilled by Hydro staff in the past.

## **Tangible Capital Assets**

On December 27, 2017, the province passed a new regulation related to asset management planning which has new requirements which are phased in over six years. As this work moves forward, it will be critical to have a complete and up-to-date asset inventory. This asset inventory is best captured through our Tangible Capital Asset listings, increasing the importance of progressing towards the implementation of specialized software to account for tangible capital assets. While the new Payroll-HRIS system has now gone live, the implementation is not yet complete, and it continues to draw on staff resources that would be required for other software implementations.

The City's new CAO continues to support asset management and has identified through report CAO-026-2018 "2018 Priorities – Building Our Future", the need for additional resources in the areas of both Asset Management and Project Management in the Information and Technology area.

## **Financial Implications**

Not Applicable.

### **Prepared and Submitted by:**

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### **Approved by:**

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