

**3<sup>RD</sup> QUARTER REPORT**  
**2002**  
**BUSINESS SYSTEMS & CONTROL**  
**GROUP**



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## **EXECUTIVE SUMMARY**

**This report will identify individual and group work completed or on going on behalf of the organization by the Business Systems and Control Group since its inception in February 2002.**

**Work of an administrative nature necessary to ensure that BS&CG meets corporate and business unit budget and planning objectives have also been included.**

**Over the past nine months, the Business Systems and Control Group has had exposure to seven separate units or sections. During this period, a number of commonalities have been observed and identified.**

- 1. For the most part, the HRM has a highly educated workforce. Application of that training needs better alignment and opportunity**
- 2. The HRM work force is highly committed to an organization that lacks structure, controls and direction.**
- 3. BS &C has noted high level of loyalty to the corporation versus to the business unit or group representation.**
- 4. We have observed that the work force is well educated in safe work environment and practices.**
- 5. Asset management is informal, unstructured or nonexistent. This affects the level and type of internal controls in place, the valuation process and financial statement presentation**
- 6. Opportunity for two-way communication ( internally and externally) does not always occur. This can be observed at the Corporate, Business Unit and Group Representation levels.**
- 7. HRM encourages the empowerment of leaders and management without providing objective measurements to ensure accountability for efficiency and effectiveness for service. Leadership and management skills are not fully developed.**
- 8. Issues of succession planning, effective training and development opportunities affect business units. There has been an identification of the need for succession planning with little formal action taking place.**

**Over the past nine months a number of initiatives have begun to address challenges in communication, health & safety, leadership training and succession planning issues. Some are corporate focused and sponsored while others are still at the Business Unit level. Recently established Corporate Goals should provide needed direction for Business Units in the implementation of business plans designed to meet these challenges.**

## **Group Description**

**The Business Systems and Control group was established under the authority of the Chief Administrative Officer in February 2002 to assist management of the Halifax Regional Municipality in the effective discharge of their duties and responsibilities by providing them with objective analyses, appraisals, recommendations, counsel and information concerning the activities reviewed. In achieving this objective the group will act in both a Business Advisory role and Policy Compliance Role and using a collaborative and consultative approach, utilize in-house resources. Determination of project priorities without the benefit of an established audit plan occurs in a consultative manner through the CAO's office.**

**Staff is physically located in the Financial Services Business Unit, 3<sup>rd</sup> Floor, Duke Tower. Depending on the type and length of time needed to complete an assignment, staff may relocate into the work place, from time to time. Each assignment will produce a report which details the findings, recommendations and, where appropriate, a suggested action on how the business unit may achieve the recommendations that they accept.**

## **Objectives for Next Year**

**The primary objective for the next two quarters is to identify all auditable activities within the HRM and assign and prioritize these activities as to greatest risk potential or business opportunity.**

**Complete preliminary identification of auditable activities, services, programs, etc.**

- < Using information derived from the 2003-04 Business Planning process, network opportunities, and experience, identify all auditable activities and assignment of preliminary prioritization factors based on HRM Strategic Goals**
- < Completion of appropriate documentation in electronic format for circulation to Business Unit in preparation to group discussion and confirmation**

**Confirmation and finalization of auditable activities, services, programs, etc.**

- < Individual Business Unit and/or Sectional meetings completed**
- < Confirmation, clarification of all auditable activities by Business unit**

**Finalized Audit Plan for HRM which reflects HRM Corporate Goals**

- < Risk Matrix Table detailing all activities and corresponding risk and prioritization**
- < Approved structured audit plan for HRM**

## Projects February 2002 to December 2002

<b>Project</b>	<b>Lead</b>	<b>Start Date</b>	<b>Status</b>	<b>Details</b>	<b>Comments</b>
Community Projects Bylaw Rationalization Working Group	C Osborne	November 2001	Ongoing working committee	Tasked with harmonization, rationalization of bylaws and bylaw process, Administrative Order drafted for approval by Council	To provide subject matter knowledge and represent Financial Services on the committee
Establish official Charter and inform HRM of group's existence and mandate.	C Osborne	Feb 2002	Charter completed, HRM notification, partly completed.	Charter document reviewed by DCAO, SMT, Council and signed by the CAO	Complete. Next steps are to do a presentation to Program and Service Review, place on HRM Web.
Herring Cove Volunteer Fire Department Audit	A Lazarus	March 2002	Complete, Response given to interest group comments on report	Performed a financial and business process review relating to purchases, VISA and payroll processes and related controls	Provided on-going feedback and assistance to External Review of personnel issue and fire suppression equipment undertaken by 3 <sup>rd</sup> parties
Develop HRM Business Process Review and/or Audit Plan	C Osborne	April 2002	On-going, expect to complete draft audit plan by September 2003	As part of the Business Planning process, gathering high level details on events/opportunities affecting Business Units in achieving goals.	Currently gathering and analyzing information provided in order to prioritize greatest risk areas to concentrate resources on over the next year.

<b>Project</b>	<b>Lead</b>	<b>Start Date</b>	<b>Status</b>	<b>Details</b>	<b>Comments</b>
Community Projects - Animal Control Contract	C Osborne	April 2002	May 2002	Participation in analysis for preparation of Tender Document completed	Provided subject matter knowledge
Financial Services - Competency Factors for Job Descriptions	C Osborne	May 2002	On-going	Coordinate process to ensure that Job Descriptions reflect HRM competency requirements	
Financial Services - Performance Benchmark Project	A Lazarus	May 2002	On-going	Co-represent Financial Services on HRM committee	Provide subject matter expertise
Fire Services - Beaverbank/Kinsac Volunteer Fire Department	A Lazarus	June 2002	June 2002	Financial Analysis fo VISA and other purchases, Verbal recommendations on improvements in use of VISA	
Operational Review - Shared Services Transit Fleet Services	C Osborne	June 2002	Completed October 2002, Report tabled, notification and communication provided to all stakeholder groups	Recommendations and suggested action plan submitted and Business Unit is in the process of prioritizing and resourcing for implementation. Collaborative approach involved all stakeholders including union.	Project Team consisted of BS&CG and Maria Medioli. Utilized business unit resources to gather data, documents ( Carol Totten)
Parks and Recreation - Capt Wm Spry Payroll Records	A Lazarus	Sept 2002	November 2002	Provided analysis of payroll records and recommendation on action - potential misappropriation of payroll funds	Referred to Legal and Police Services

<b>Project</b>	<b>Lead</b>	<b>Start Date</b>	<b>Status</b>	<b>Details</b>	<b>Comments</b>
Legal Services - HRM intended action against 3 <sup>rd</sup> Party	A Lazarus	Sept 2002	October 2002	Provided financial analysis and summary review for pending lawsuit on 3 <sup>rd</sup> party benefits contract	Tentative agreement on settlement amount
Operational Review - Compensation and Benefits, Human Resource Services	C Osborne	Sept 2002	January 2003	Review looked at business, financial processes and technical reporting requirements relating to SAP HR.	Data, information gathered, analysis almost complete. Preparation of 2 <sup>st</sup> draft underway. Final report with recommendations and suggested action plan to be filed by Jan 31, 2003.
Real Property Services - Disclosure	A Lazarus	Nov 2002	Nov 2002	Provide analysis on decision making and appropriateness of disclosure of certain information	Report filed with Director and action taken.
Tourism - Film Industry Guidelines	C Osborne	Nov 2001	Partially completed Sept 2002	As member of joint HRM staff committee, recommend appropriate process for responding to Film Industry requests to use HRM property and/or street scape.	Tentative process in place, functionality passed on to Team Leader of Revenue, Financial Services
Tourism - Marketing Levy Process	C Osborne	Jan 2002	March 2002	Develop Marketing Levy process and prepare for by-law enactment. Advise Revenue on job posting and processing needs	Completed and passed on to Revenue

<b>Project</b>	<b>Lead</b>	<b>Start Date</b>	<b>Status</b>	<b>Details</b>	<b>Comments</b>
Human Resource Services - NSUPE Contract Costing	A Lazarus	Feb 2002	Dec 2002	Provide costing information for monetary items offered/accepted during NSUPE negotiations. Provide peer review for retro calculations and spreadsheet	In conjunction with Compensation and Benefits Review, participating in retro calculations
Traffic Services - Streets Bylaw	C Osborne	Mar 2002	April 2002	Develop process to achieve revenue objectives identified in Streets Bylaw regarding the bagging of parking meters	Draft process circulated, not finalized as of Dec 2002
Financial Services - False Alarm Program	C Osborne	May 2002	Feb 2003	Provide analysis of financial and service impact of bylaw; analysis of bylaw impact on HRM properties, identify policy issues, and provide recommendations	Information report drafted for Council, pending statistics from RCMP, Police, Fire and Financial Services.

Respectfully submitted

Cathie Osborne  
Team Leader, Business Systems and Control Group

