

Halifax Regional Municipality

# **Business Systems & Control Group**

FOIPOP reviewed July 4, 2007

Annual Report

April 1, 2006 to March 31, 2007

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## Audit Capacity:

Audit capacity of Business Systems and Control continued to be a challenge over the past year, partly due to staff turnover, an increased role in the administration and roll out of the "Illegal and Irregular Conduct" and "Ethical Code of Conduct" Policies and consultancy support to various corporate or business unit endeavours. Resources were acquired from external parties, through government grant funding and student co-op programs; temporary placements; and special assignments of employees from other business units.

## Policy Development:

Council approved the application of the Illegal and Irregular Conduct and Ethical Code of Conduct Policies for Council and all staff in June 2006, as recommended by the Audit Committee. Roll out to business units continued into the fall when presentations to all business units managers and a number staff were completed. BSC staff responded to 12 inquiries regarding issues of ethical conduct and oversaw or conducted 18 allegations of irregular or illegal activity. (See Appendix 2 for details.)

### IIC Policy Cases Opened/Closed

Fiscal Period	Illegal Activities		Irregular Activities		Total Cases Opened
	Opened	Closed	Opened	Closed	
2005/06*	4	3	3	3	7
2006/07	8	6	10	4	18
	12	9	13	7	25

\* 2005/06 includes one case opened prior to official declaration of policy on Feb 27, 2006, is still ongoing.

### Disposition of Policy Cases

	Total Cases Opened	Total Cases Closed	Allegations upheld	Allegations NOT upheld	Open cases
Illegal Conduct	12	9	3	6	3
Irregular Conduct	13	7	5	2	6

## Audit Work:

During the 06/07 fiscal period, staff examined a number of corporate processes for efficiency, effectiveness and organizational risk.

- ▶ Employment Expenses Risk Analysis
- ▶ Cash Controls, Phase 3
  - Other Revenue and Receivables
- ▶ Cash Controls, Phase 4
  - Physical Security of Cash assets
  - Electronic Portals & Computer Security
- ▶ Civic Code Enforcement
- ▶ Physical Security around Non-cash Assets.

Additional detail on the significant findings and/or status of the work can be found in Appendix 1.

Each of the above processes extend across the organization so a great deal of time and attention must be invested to ensure that audit findings are adequately supported with appropriate and sufficient evidence and recommendations are realistic and relevant. The majority of field work has been completed for the Cash Controls Review and a draft report is being prepared.

Most of the field work associated with the Civic Code Enforcement Operational Review has been completed. Staff resources are focussing on the analytical component, in preparation for the drafting of the findings and recommendations. Unfortunately, the progress of this review has not met the original time lines due to resource capacity. Additional resources will be assigned to assist in the data analysis and best practice research and it is anticipated that the report will be filed in mid-spring of 2007.

Preliminary work has begun on the development of the Terms of Reference for operational reviews of the HRM Procurement Practices and the HRM Employment Expense Reimbursement. Additional temporary resources to assist with this work were approved in December 2006. The position of Analyst/Auditor has been filled with an internal candidate. Although a job offer was made to an external candidate for the Business Consultant position, the offer was declined. A request has been made, as part of the Business Planning process, to convert the two temporary positions to permanent status. In the meantime, the business consultant position has been re-posted along with the permanent Business Consultant position, recently vacated due to the promotion of the incumbent to another position within the organization.

## Compliance and Policy Database:

During the summer of 2006, staff completed the final stage of this project, begun in January

2003. Gap analysis was undertaken to identify policy areas allowed to be developed under the MGA and comparing them to corporate policies in place at HRM. These results were then compared with the best practices of other municipalities across the country. There were ten areas identified as potential for "formal" policy development.

- Tree inspection/limb removal
- Minimum tax per dwelling unit or tax levels per region
- One-time oversized sewer charges
- Signing authority
- Tax installment payment plan
- Area planning advisory committees
- Wastewater management districts
- Specifications/standards for connections to wastewater facilities and storm systems
- Appeals committee for appeals of decisions made by engineer
- Private on-site sewage disposal system pumping/cleaning

This analysis was circulated to the Senior and Executive Management Team for information purposes. A copy of the report is available, upon request.

#### Audit Committee Support:

Staff of Business Systems and Control continue to support the Audit Committee of Council. Work currently underway includes:

- ▶ Q & A for Council (and staff) on the Illegal and Irregular Conduct Policy and amendments to the Ethical Code of Conduct. Discussions with the Audit Committee are planned to determine the best approach to roll the processes out to Council.
- ▶ A "Terms of Reference for the Audit Committee" is close to completion. Discussions on the best approach to introduce the document to Council are still required.
- ▶ Governance structure of the Internal Audit Function for HRM. The CAO/DCAO are leading this issue and will finalize with the Audit Committee.
- ▶ "Release of Reports" recommendations for public release of completed work.
- ▶ Research has been completed on the development of an Audit Committee Orientation Manual. A draft document must still be prepared.

#### **Audit Report Follow up**

Auditing standards require the internal audit function to maintain an up-to-date record of the

status of outstanding audit recommendations. Following the filing of the final report, a request is made on the anniversary date of the report for an update on the work completed by the business unit towards the recommendations made in the report. This occurs annually for four years, at which time the function/activity is reassessed and placed into the audit planning cycle. A more efficient process would speed up the response and evaluation of managements' assertions and provide more timely and accurate reporting to the CAO and Audit Committee.

This information is not in an easily accessible or extractable format. Provincial funding has been acquired to augment internal resources to fund a project to complete the analysis, make recommendations and implement an appropriate tool to monitor and report on outstanding audit recommendations. A co-op student has developed a model and framework, using a Microsoft solution that will allow the end user to receive the request and respond electronically, thereby speeding up the process. Included in the framework is a Procedure Manual to ensure that the data is updated and maintained on a regular basis. Summary and detailed reporting functionality has also been built into the tool. Currently, a request is pending to enable the transaction to occur using the HRM Intranet as the portal.

#### Future Challenges:

When staff hires are finalized work will begin, in earnest, on the operational review of HRM Procurement Practices and Employment Expenses. The first step will be to define the objectives, scope of work and methodology for each project and create a formal "terms of reference." However, new staff orientation and organizational familiarization will be required before any direct auditing work can begin.

Resources will also be focussed on the development of the next five year audit plan. BSC participation in the 2007/08 Business Planning cycle greatly assisted in this exercise. The first draft of the audit plan is expected to be available for review by May 2007.

Finally, attention must be given to the re-introduction and further development of an Enterprise Risk Management (ERM) Model to enhance decision making. Risk assessment, as a planning tool was re-launched during the 2007/08 business planning cycle, to elevate the value of risk identification and assessment as a viable formal decision tool. It is anticipated that organizational resources will be assigned to a cross-functional steering committee who will develop a draft governance model for the function of ERM, in preparation for roll out and adoption as a best practice for the Halifax Regional Municipality.

Respectfully submitted,

Cathie Osborne, CGA, CMM  
Manager, Business Systems & Control

# Appendices

### Appendix 1: Detailed Final Report for Fiscal Year 2006/07 (updates are bolded and in italics)

Status Report on started and on-going items for Business Systems & Control as of December 31, 2006 Completed work from prior years has been noted as completed.					
Project #	Project Name	Primary Business Unit	Date Final Report	Action Plan	Comments
03-01	HR Compensation and Benefits Operational Review	Human Resources	Feb-03	Develop and implement recommendations	Work is still ongoing - Employee receivables occurring after March 2003 have been maintained and preparations are underway to transfer functional responsibility to Finance. Resources have been assigned to document current policies, practices and standards prior to clarifying or amending. Case management positions have been funded to assist with DTA, LTD and WCB claims management. LTD benefits overpayment finalized and affected employees are receiving a non-taxable refund to clear the surplus funds. <b>Status on SAP Platinum Consultant recommendations still pending as of December 31, 2006. Transfer of payroll function to Finance has occurred. Finance managers currently reviewing the status of the recommendations in preparation to provide an update.</b>
03-02	Electronic Funds Transfer Internal Controls Procedures	Financial Services	Jun-03	Segregation of EFT authorizations and approval required by Mgr.	<b>BSCG reviewed internal controls, security structure and business process for new banking software as a result of new bank tender. This includes basic banking tools and new APLink. APLink tool will meet recommendation in the report to reimburse employees for employment expenses through electronic means. Electronic transfers for vendors is expected to be rolled out in late December.</b>
03-03	Real Property Sale Disclosure	Real Property Services	June 2002		Previously reported, December 2002 <b>File closed.</b>
03-04	Animal Control Contract	Community Projects	NA		Previously reported, December 2002. <b>File closed.</b>
03-05	Transit Fleet Maintenance Operational Review	Real Property & Asset Mgmt	Oct-03	Develop and implement recommendations. Project Manager assigned and recommendations prioritized.	Phase 1 Evaluation and Phase 2 project plan provided by RPAM and reviewed by BSCG. Recommendations relating to training, skills development, rebuilding engines and body implemented. Enhanced opportunities realized in support of BRT. <b>Status on SAP Consultant work - An official update from management was received in January 2007. BSC still needs to complete a validation exercise on the status of recommendations prior to reporting to the Audit Committee and CAO. See also 04-05</b>
03-06	Application of HR Policies - Retirement Benefits, Claims Settlements	Human Resources	Oct-03		Previously Reported, March 31, 2006 <b>File Closed.</b>

Status Report on started and on-going items for Business Systems & Control as of December 31, 2006 Completed work from prior years has been noted as completed.					
Project #	Project Name	Primary Business Unit	Date Final Report	Action Plan	Comments
03-07	Management Reporting and Control Validation of Payroll	Human Resources	Sep-04	Cross bu team reviewing and developing implementation plan to address findings and recommendations.	Financial Services advised that a team is in place to develop action plan. Some work completed. (<15%) Pending SAP HR specialist report. Some controls revamped. HR business plan indicates funding and resources to address policy and documentation issues necessary prior to correcting or configuring SAP HR. <b>Transfer of payroll services from HR to Finance occurred in October 2006 following recommendation from Phase 1 report. Work underway to address control issues identified in this report. Finance management is currently reviewing the status of recommendations and preparing a response.</b>
03-08	Snow and Ice Control Operational Review	Transportation and Public Works	May-04	Recommendations accepted and used in the development of contract negotiation submissions. Outcome pending.	Verbal update received from Director TPW. Issues raised during negotiations. Shift schedule changes and increased flexibility to move staff have occurred. BSCG has requested an update from the Director of TPW on the status of other recommendations provided. <b>Indications are that some recommendations in the report were addressed during contract negotiations. Director reports cost savings with new shift schedule. Formal evaluation still needs to be completed . A written update from the SNIC Coordinator received March 2007.</b>
03-09	Non-inventoried Materials & Supplies	Financial Services	Mar-04	Mgmt has struck cross functional bu team to develop and implement short, med and long term action plan.	Draft reported filed March 2004. Final report filed February 2005. CAO/DCAO instructs Mgt to develop and implement short, med, long term plan. Non-coordinated approach to physical security had been occurring. Cross functional team was established by Directors. Funding requested in 06/07 budget. Funding received. Two positions in place to develop policy and action plan for non-capital assets. Work is on-going. BSC has reviewed preliminary plan. <b>Recently, Finance advised that work on the pilot project with Fire Services has stalled. Subsequent, results from a risk assessment on the safeguarding of physical assets undertaken by BSC in January 2003/04, indicated that the level of risk xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx xxxxxxxxx. An in camera report will be filed with the Audit Committee detailing the findings and management's action plan to address the short comings.</b> (Occurred May 2, 2007)

Status Report on started and on-going items for Business Systems & Control as of December 31, 2006 Completed work from prior years has been noted as completed.					
Project #	Project Name	Primary Business Unit	Date Final Report	Action Plan	Comments
04-01	Fire Prevention Services Operational Review	Fire Services	Sep-04	Action Plan development and implemented.	Dec 2004 - Business Unit developed action plan. Restructuring has occurred as of May 2005. Information (data)Management improvements in development stage. IS resources have been assigned to assist (D Pillay) December 2005, Fire Prevention reports progress in implementation of new or modified business practices related to recommendations provided in the report. Changes to inspection practices resulting in quicker response from property owners. Policies are being reviewed and amended as needed or new policies are being developed and rolled out. <b>No further details available as of December 2006.</b>
04-02	HRM Policies, Operating Standards, Procedures, etc	Corporate Wide	Ongoing	Project complete.	Continuing to gather documentation and update the database. Limited resources available to conduct gap analysis. Database used by BSCG in research stage of project work. <b>Gap analysis completed in July 2006 indicates that there 10 areas under the MGA where the HRM could develop policies. Research of other municipal units completed to identify those units that have developed policy in the noted areas. There is an on-going need to maintain the data and documents. This will be addressed through the corporate information management project currently underway with Legal and the City Clerk's offices.</b>
04-03	Bylaw Costing Model	Environmental Mgmt Services	NA	Advised by Financial Consultant that Project put on hold by director based on work completed on topic by Bylaw Integration Team.	Aspects will be covered off in organizational review of civic code enforcement, scheduled to be completed for the 05/06 audit plan. Terms of Reference finalized Nov 15, 2005. Project started Jan 2006 and currently on-going. <b>Civic Code Enforcement Review on-going. All but 2 business units have been examined. Data analysis and best practice research still needs to be completed. Resources are an issue and will be addressed.</b>

Status Report on started and on-going items for Business Systems & Control as of December 31, 2006 Completed work from prior years has been noted as completed.					
Project #	Project Name	Primary Business Unit	Date Final Report	Action Plan	Comments
04-04	Street Cuts Operational Review	Transportation and Public Works and Planning and Development	Feb 2005	Final Report to be filed Sept/Oct 2005. Presentation to EMT to follow.	Draft final report prepared. DCAO has requested BU to provide plan to implement recommendations. Response pending. Final report presented. <b>An update was expected by Jan 31, 2007. Business plans for TPW referenced a significant finding from the original report.</b>
04-05	General Fleet Services Operational Review	Real Property & Asset Mgmt	Mar-05	Separation of out of box recommendations provided to director for inclusion in Mgmt PDP. Electronic solution pending. Project manager hired to create action plan for implementation of recommendations.	Assisted Management Team with facilitation for staff input. Request for update made but no formal response provided. Project manager is on site and working with management team on recommendations from the report. Systems issues still unresolved at this time. <b>An update was received in January 2007. BSC must still validate and test the assertions made in the report prior to reporting on the overall status of the report to the CAO and the Audit Committee.</b>
04-06	Cash Controls Compliance and Internal Controls	Corporate Wide	On-going	Ensure organization has identified and recorded all revenues for HROP, Trusts, Reserve Accounts. Validation of controls to ensure sufficiency and appropriateness of and compliance with policies. Report on findings and recommendations including RCH - CLASS system.	Terms of reference has broken the report down into 4 phases. Phase 1 included the financial and risk analysis used to define the scope of the subsequent phases. <b>Acquired external support to conduct control testing of property related cash inputs as part of Phase 2. As part of Phase 4, BSCG had partnered with Shared Services to use external resources to conduct an IT Systems Threat and Security Analysis completed in March 2006. Compliance and control testing of cash controls -commenced July 2006. Currently, staff are in the process of writing the findings and recommendations for Phase 4a and 4b. A draft report on findings will be circulated for management response in May 2007.</b>
04-07	Succession Planning Activities In HRM	Corporate Wide	Mar-05	Report indicates limited attention directed towards Succession Planning issues. Pending roll out to SMT and the development of	Succession planning issues discussed at SMT meeting. No further information provided on status of recommendations. <b>Succession planning continues to be an item of risk on most business unit business plans for 07/08. Work has been completed by Human</b>

Status Report on started and on-going items for Business Systems & Control as of December 31, 2006 Completed work from prior years has been noted as completed.					
Project #	Project Name	Primary Business Unit	Date Final Report	Action Plan	Comments
				an action plan.	<b>Resources to assist business units in the acquisition and retention of specific positions. Business Unit capacity may be biggest issue slowing down this process.</b>
04-08	Procurement, disbursements, VISA Compliance Review	Corporate Wide	August 2006	Final report filed July/Aug 2006. Presented to EMT Sept 2006.	Acting Director requested opportunity to discuss recommendations with DCAO. No further update provided by BU. Procurement (Finance) reviewing Visa limits and card usage on a regular basis. Compliance with policies appears to be improving. No quantitative information available. <b>Risk analysis was completed on a small selection of VISA Procurement cards which formed the basis for recommending a full operational review be conducted of employment expenses. Management has developed a new policy and amended and amalgamated the two travel policies to ensure clarity and compliance. The full review is scheduled to commence within 6 months of the initial roll out of the new policy.</b>
04-09	Revenue Recognition and Collection Procedures	Corporate Wide	On-going	Ensure organization has identified and recorded all revenues for HROP, Trusts, Reserve Accounts. Validation of controls to ensure sufficiency and appropriateness of and compliance with policies.	Revenue tool data used to complete risk analysis. Controls to be tested and results provided to Project Team as Phase 3 of Cash Controls - Incoming. <b>This item forms Phase 3 of the Cash Control Compliance Review which will be completed by March 31, 2007. Portions of these transactions were addressed during both the review of physical security of cash assets and electronic fund transfers. Advice regarding auditing during data conversion and monitoring and auditing reports is being provided to the project team.</b>
04-10	Inventory and Asset Mgmt Compliance Review	Corporate Wide	On-going	See 03-09	Report filed with EMT, SMT October 2005. Some aspects of recommendations have been included in 2006/07 business plan. See also 03-09

Status Report on started and on-going items for Business Systems & Control as of December 31, 2006 Completed work from prior years has been noted as completed.					
Project #	Project Name	Primary Business Unit	Date Final Report	Action Plan	Comments
05-01	Business Process Integration & use of technology	Corporate Wide	TBD	Provide support, advice and feedback to project team, monitor and report on outcomes ensuring corporate strategy and operational improvements are accomplished.	Provided advice and information to SAP Platinum Consultants hired by Information Technology Section in the areas of SAP Human Resources and SAP Plant Maintenance modules. Reporting substantiated prior findings from BSC. Action plan pending from management.
05-02	Recreation Services & Delivery	Community Development - Permitting & Inspections	May-06	Conduct an operational review of the delivery of recreation and culture activities, ensuring that programs/services are in keeping with corporate, business unit strategies, policies and mandate.	Limited work has been done on this issue as of March 31, 2006. A review of expenditures associated with Heritage Incentives and Reserves was completed in May 2006. Significant findings indicate that the current processes were sufficient for control purposes. Adherence to the processes was the issue. More clarity around policies and criteria for eligibility were also recommended. <b>An update request is scheduled for May 2007.</b>
05-03	Management of Capital Assets and Infrastructure	Corporate Wide	TBD	Provide advice & feedback, monitor & report on outcomes to ensure corporate strategy is met & operational improvements are accomplished and risk mitigated.	Participating on cross-function team to provide advice on risk and issues arising from other work related to this area. Project manager in place and data identification and information gathering is on-going and appears to be on target.
05-04	Personal Safety - Construction Inspection Services	Community Development - Permitting & Inspection	NA		Previously reported, March 31, 2006. File closed.

Status Report on started and on-going items for Business Systems & Control as of December 31, 2006 Completed work from prior years has been noted as completed.					
Project #	Project Name	Primary Business Unit	Date Final Report	Action Plan	Comments
05-05	Transfer of IES (911) to Shared Services	Shared Services, Fire & Emergency Services, Police Services	NA	Review Project Status to determine level and type of continuing risk; barriers to implementation, etc.	No work has been done on this issue as of March 31, 2006.
05-06	Bylaw Prosecutions	Legal Services	NA	Success in court depends on bylaw enforcement process. Analysis of tickets issued to paid to prosecutions successful may identify factors or barriers to success.	Issue will be looked at under the Operational Review of Civic Code Enforcement commenced in January 2006. As part of the review, analysis has been undertaken to quantify impact of performance to outcomes. <b>Outcome pending as of June 30, 2007.</b>
05-07	Insurance Claims & Litigation	Financial Services	NA		Previously reported, March 31, 2006. <b>File closed.</b>
05-08	Customer Service Vulnerabilities	Shared Services	NA		Previously reported, March 31, 2006 <b>File closed.</b>
05-09	Fiscal Accountability and Sustain ability - Fraud Policy	Corporate Wide	Jan-06	HRM does not have a policy. Develop and obtain approval for a corporate fraud policy.	Illegal and Irregular Conduct Policy and amendments to Ethical Code of Conduct Policy approved by Council June 2006. <b>Roll out to business unit managers and employees continued into October 2006. A Q &amp; A for Council/employee use is being drafted and will be forwarded to the Audit Committee for discussion and recommendation on the best approach to release to Council.</b>

Status Report on started and on-going items for Business Systems & Control as of December 31, 2006 Completed work from prior years has been noted as completed.					
Project #	Project Name	Primary Business Unit	Date Final Report	Action Plan	Comments
05-10	Audit Committee mandate and structure.	Corporate Wide	Sep-05	Roles and Responsibilities of Audit Committee need to be reviewed/amended to reflect changes in audit culture resulting from significant changes in auditing requirements and committee due diligence.	Review of Version 1 Terms of Reference was completed in August 2006 and referred to Legal Services for comment. <b>The review of Version 2 was completed in December 2006 and a final review of the document is on the Audit Committee agenda.</b>
05-11	Enterprise Risk Management	Corporate Wide	NA	Enterprise risk management is not fully understood or used in decision making. Pockets of RM occurring without coordinated effort. Develop scope and action plan to implement ERM throughout HRM.	Scope and Action plan developed and circulated to Business Planning and Risk and Insurance Management sections for feedback. Still pending. No resources available to move this item forward. <b>Reintroduced risk identification and assessment to the 07/08 business planning process. No other change in status.</b>
05-12	Financial Accountability - Validation that incremental budget increases are used for purposes approved.	Corporate Wide	TBD	Work with Business Planning Coordinator to confirm the existence of a process that monitors and reports on the use of incremental funding.	No work has been done on this issue as of December 31, 2006. <b>This issue will be considered as part of the development of the five year audit plan currently underway.</b>

Status Report on started and on-going items for Business Systems & Control as of December 31, 2006 Completed work from prior years has been noted as completed.					
Project #	Project Name	Primary Business Unit	Date Final Report	Action Plan	Comments
05-13	External Relationships - Management Agreements	Transportation and Public Works - Real Property. Community Development - Recreation	TBD	Management agreements are inconsistent, not well-developed. Management of assets unclear, funding demands exceed resources. BU are reviewing and redrafting management agreements to ensure best fit for all stakeholders.	Act as resource, as needed, on issues of audit ability and risk management. Work in progress. Advice provided and facilitation of session with key staff to identify critical issues, reach agreement on terms and establish an action plan. <b><i>A second draft of the final document has been reviewed by BSC as of Dec 31, 2006. Third party contracts will be considered during the development of the Five Year Audit Plan.</i></b>
Additional Work April 1, 2006 to March 31, 2007					
06-01	Compensation and Benefits Phase 1	Corporate Wide	Jun-03	HR business case planned to obtain funding for WCB case manager. Professional opinion on calculation of WCB premiums & short term disability leave. Analysis potential savings done.	Opinion to be available Dec 30, 2005. Incomplete information providing by external party. Internal research indicates possible opportunity. Business Case developed to help fund two cash management positions in HR to assist with DTA, early return to work for WCB and LTD. Funding tied to budget approval. Funding for case managers approved in 2006/07 budget. Further analysis indicates that more legal research is required. <b><i>Participated as advisor to Payroll Realignment Steering Committee. Payroll has transferred to Finance as of November 2006. Budget approved and hiring process commenced April 07.</i></b>
06-02	Releasing Reports Guidelines	Corporate Wide	Sep-05	Policy drafted and waiting to be presented to Audit Committee. Awaiting FOIPOP/Legal feedback on individual reports.	Release of Reports Guideline approved for use by CAO and Audit Committee, January 2006. <b><i>Request made to FOIPOP Administrator to review and comment on content of past work. Four reports processed and approved for release in December 2006. Three more pending. Four have already been released as a result of a FOIPOP request - June 2006</i></b>
06-03	Development of Internet/Intranet Web page	BSCG	Jan-06	On-going. Draft pages ready pending presentation and discussion with Audit Committee. Developed Vision and Mission	Web pages for Internet and Intranet in place and updated monthly or as needed. <a href="http://www.halifax.ca/business_systems/index.html">http://www.halifax.ca/business_systems/index.html</a> . <b><i>Vision and mission statement posted to Intranet. Annual reports and audit work planned.</i></b>

Status Report on started and on-going items for Business Systems & Control as of December 31, 2006 Completed work from prior years has been noted as completed.					
Project #	Project Name	Primary Business Unit	Date Final Report	Action Plan	Comments
				Statement for BSCG.	<a href="http://insidehrm/BusinessUnits/BusinessSystemsAndControl/index.html">http://insidehrm/BusinessUnits/BusinessSystemsAndControl/index.html</a>
06-04	EMO Administrative Support Structure	Corporate Wide	Jan-06	B Manuel to present concept and document to EMO Steering Committee for approval.	Draft listing of all services/programs offered by HRM created as part of Business Continuity Planning, Business Planning and the development of next five year Audit Plan for BSC. <b>No further involvement of BSC on EMO administrative structure as of March 2006.</b>
06-05	AMA Regional Representative and Rep on AMA Education Committee	Corporate Wide	On-going to Oct 2006	Developing and nurturing municipal relationship. Sharing/access to HRM Training Calendar.	<b>HRM has extended access to other municipalities to the training calendar. Announcement made at Fall AMA conference. COsborne is the Metro Region executive member and participated on the AMA Education Committee, Next Generation Committee and Building Financial Capacity Committee. The 2007 Fall Conference is slated to occur in Halifax and COsborne is the chair of that committee. Planning meetings have commenced.</b>
06-06	Bylaw Rationalization Committee	Finance	On-going	Advice on proposed Shopping Cart Bylaw administration of abandoned carts.	<b>Committee meetings reduced to on an "as needed" basis. Last met to discuss a bylaw respecting capital cost charges and derelict buildings.</b>
06-07	Examination, investigation of complaints under the IIC policy	Corporate Wide	On-going	Response is timely, accurate and appropriate to complaints.	<b>Between April 1 and Mar 31, 2007, staff responded to 25 allegations under the Illegal and Irregular Conduct Policy. (See Appendix 2 for summary of issues and outcomes.)</b>
06-08	Audit Plan Development	BSCG	Mar 2007	Develop three year audit plan for internal audit function.	<b>Using a risk based approach, analysis will be conducted on the Services and Programs listing compiled under the Business continuity exercise. Information obtained through the business planning process and one-one interviews with senior managers will be used to prepare the draft of the five year audit plan.</b>

Status Report on started and on-going items for Business Systems & Control as of December 31, 2006  
 Completed work from prior years has been noted as completed.

Project #	Project Name	Primary Business Unit	Date Final Report	Action Plan	Comments
06-09	Audit Tool Acquisition	BSCG	Mar 2007	Explore various tools and/or options available to monitor & report on audit findings and recommendations.	<i>Co-op funding has been approved and a co-op student hired beginning January 2, 2007 to research, create and implement an appropriate tool for use in the internal audit function. The tool is currently being tested and awaiting IT support to roll out using the Intranet as the portal.</i>
06-10	Complementary Voting Alternatives	Clerk's Office, BPIM	Dec 12, 2006	Clerk's office has been tasked with researching voting alternatives for 2008 election.	<i>Provided cross-functional business team with advice on risk associated with the implementation of various voting methods. Participated in Council Workshop November 2006 and presentation to COW, January 9, 2007. Participating on the RFP Committee to provide advice on auditing and security requirements.</i>
06-11	Internet Use Policy	BPIM, Corporate	NA	Information Technology developing/amending policy on computer and internet use policy.	<i>Provided advice on policy development and the relationship of this policy with the Illegal and Irregular Conduct Policy. The policy is currently with the business unit.</i>
06-12	Revenue Tool Replacement Project	BPIM, FIN	NA	Implementation of new revenue tool to replace Richter. Hansen Enterprise tool of choice.	<i>Provide advice on appropriate audit and testing for data conversion and on-going reports for management and monitoring and audit capability.</i>





	Action	Particulars	Date Opened	Date Closed	Disposition
7	Illegal	Inappropriate use of VISA, including personal purchases. Subsequent information filed relating to unreported vehicle accidents by same employee.	May 3, 2006	June 15, 2006	Investigation confirms probability. XXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX Recommended action be taken towards supervisor. No information to confirm what action was taken. Insurance claim filed for compensation for non-HRM transactions.
8	Illegal	Visa Purchases - vehicle/travel related and monthly mileage transactions (possible double payments)	May 30, 2006	Aug 2, 2006	Closed. No findings of an illegal nature. Irregular activities identified & reported to Mgmt. New employee expense policy being developed to address issues.
9	Illegal	Allegation, manager has personal interest in awarding a certain vendor work. Also, a suggestion of padding of budget numbers.	Dec 4, 2006	Dec 31, 2006	Examination is on-going. No evidence of personal interest. Analysis of financial data must still be completed.
10	Illegal	Theft charges filed against HRM employee and vendor. Risk assessment undertaken to determine level of risk associated with physical security of assets	Jan 12, 2007	Jan 30, 2007	Risk assessment indicates significant risk exists. No evidence to determine how/where material went missing. Report to be filed with Audit Committee, in-camera. (Occurred May 2, 2007)
11	Illegal	Employee alleged to have taken HRM vehicle without permission, DUI potential, supervisor does not report to Police.	Feb 6, 2007		XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX No action taken against supervisor due to insufficient policy direction from management. Written instructions to be circulated to all supervisors and staff, pending.
12	Illegal	Employee significantly damages office in HRM building. Employee arrested and charged, psychiatric assessment ordered by court.	Feb 7, 2007	Feb 13, 2007	Employee pled guilty to charges, incarceratedXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX Restitution expected but not pursued.



	Action	Particulars	Date Opened	Date Closed	Disposition
21	Irregular	Report that unauthorized bank account had been opened by HRM staff.	Jan 8, 2007	Jan 15, 2007	Confirmation not HRM bank, group of volunteers, some staff, related to work function, statement sent to office.
22	Irregular	Allegation employee knowingly spilled fuel at depot and did not attempt to clean up or report the incident.	Feb 2, 2007		Internal staff examination has begun. Status and outcome of examination pending.
23	Irregular	Property owner claims excessive DUPI charges levied against property.	Feb 12, 2007		On-going dialogue between staff/client and councillor. Status and outcome of examination pending. Consideration to include this transaction type in procurement review.
24	Irregular	HRM files grievance against IAFF for non-compliance with collective agreement provision to provide benefits premium information.	Feb 12, 2007		Discussions between the parties on-going. HRM has suspended transfer/payment of benefit premiums pending receipt of required information.
25	Irregular	Inappropriate use of taxi chits for non-HRM business.	Feb 28, 2007		Finance conducting examination of allegation. Report pending.