

P.O. Box 1749 Halifax, Nova Scotia B3J 3A5 Canada

Item No. 4 Halifax Regional Council May 31, 2022

TO:	Mayor Savage and Members of Halifax Regional Council		
SUBMITTED BY:	- Original Signed-		
	Councillor Cathy Deagle Gammon, Vice-Chair, Audit and Finance Standing Committee		
DATE: SUBJECT:	May 20, 2022		
	2021-22 Annual Report and 2022-23 Audit Priorities		

#### **INFORMATION REPORT**

#### <u>ORIGIN</u>

May 18, 2022 meeting of the Audit and Finance Standing Committee, Item 12.1.1:

MOVED by Councillor Deagle Gammon, seconded by Councillor Morse

THAT Audit and Finance Standing Committee forward the 2021-22 Annual Report and 2022-23 Audit Priorities Report to Regional Council as an information item.

MOTION PUT AND PASSED.

#### LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, S.N.S., 2008, c. 39

Section 21 (2):

Each committee shall perform the duties conferred on it by this Act, any other Act of the Legislature or the by-laws or policies of the Municipality

... (4) A committee shall operate in accordance with the procedures provided in this Act and the procedural policy for the Council applies to committees unless the Council, by policy, decides otherwise."

Administrative Order One, Procedures of the Council Administrative Order: Schedule 2 - Audit and Finance Standing Committee Terms of Reference

Section (6):

Notwithstanding section 49 of the HRM Charter outlining the role, independence and reporting relationship of the Municipal Auditor General, the Audit and Finance Standing Committee shall act as a liaison and communication link between the Auditor General and the Council

#### BACKGROUND/DISCUSSION

At the May 18, 2022 meeting of the Audit and Finance Standing Committee, the Committee received a report and presentation from the Auditor General on the 2021-22 Annual Report and 2022-23 Audit Priorities. The Committee considered the matter and approved a motion to forward the report to Regional Council as an information item.

For further information, refer to the 2021-22 Annual Report and 2022-23 Audit Priorities report dated May 16, 2022.

#### FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

#### COMMUNITY ENGAGEMENT

The meeting held on May 18, 2022 was livestreamed and the video recording is available at Halifax.ca.

The agenda, reports, and minutes of the Audit and Finance Standing Committee are posted on Halifax.ca.

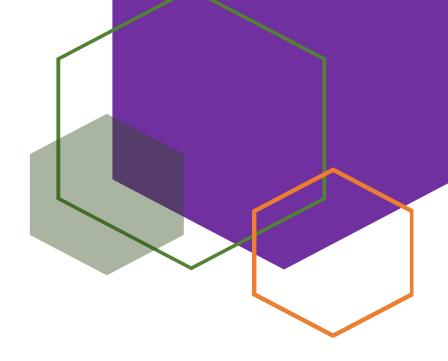
#### **ATTACHMENTS**

Attachment 1 – Office of the Auditor General 2021-22 Annual Report and 2022-23 Audit Priorities, dated May 16, 2022

A copy of this report can be obtained online at <u>halifax.ca</u> or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Annie Sherry, Legislative Assistant, Office of the Municipal Clerk. 902.943.8741.

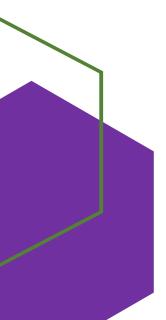
## Attachment 1



# AUDITOR GENERAL

Halifax Regional Municipality

2021-22 Annual Report and 2022-23 Audit Priorities



INTEGRITY | OBJECTIVITY | COLLABORATION | EXCELLENCE

## About Our Office

- > Halifax Regional Municipality Charter establishes Auditor General's role
- > Auditor General is appointed by Regional Council
- > Audit programs and accounts of municipality and municipal bodies
- Assist Halifax Regional Council in holding itself and administration accountable for the use of public funds
- Establish annual audit priorities based on our assessment of risks in various program areas
- Current Auditor General, Evangeline Colman-Sadd, began seven-year-term in October 2016

### What's New

#### **Audit Reports Released**

- Management of Accounts Payable Audit
- Transit Technology Project Management Audit
- Management of the Fire Inspection Program Audit
- Management of Solid Waste Operations Audit

#### Follow-up Reviews Released

- Payroll Management
- Purchasing Card Program
- Road and Sidewalk Asset Management
- LED Streetlight Conversion
- HRM's New Website Project
- Fleet Vehicle Use, Car Allowances and Mileage

#### Audits In Progress

- Respectful Workplaces
- Real Estate
- Halifax Water Information Technology

MISSION



#### Integrity

We value honesty and accountability, holding ourselves to high professional and ethical standards.

#### Objectivity

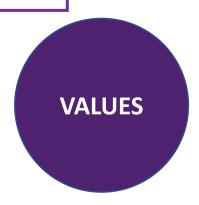
We are independent from management of the entities we audit and impartial in our assessments.

#### Collaboration

We work together to focus on the significant issues and make practical recommendations for improvement.

#### Excellence

We develop our knowledge and work to improve our processes.



#### **Our Mission**

To deliver independent audits that strengthen accountability and encourage improved efficiency and effectiveness of programs



#### **Our Vision**

A relevant, valued, independent audit office, known for professional excellence

## **Performance Information**

Performance Measures	Target	2021-22
% staff hours on audit versus non-audit activities	85%	88%
% recommendations accepted and plan to implement	100%	100%
% recommendations implemented after 18 months	80%	63%

See the 2022-23 Follow-up Reviews section below for further details on the percentage of recommendations implemented.

## 2022-23 Planned Work

2022-23 Audit Priorities				
Subject	Business Unit			
HRM Information Technology (carry over from 2021-22)	Information Technology			
Hiring Practices	Human Resources & Corporate Communications			
Management of Cogswell Interchange	Public Works			
Diversity and Inclusion	Office of the CAO – Office of Diversity and Inclusion/ ANSAIO			

These audits and follow-up reviews will begin in 2022-23; however, some reports may not be issued until 2023-24. The 2021-22 audits of Real Estate and Halifax Water IT were both ongoing when this report was released.

#### 2022-23 Follow-up Reviews

Our annual work includes following up recommendations from past audits. During 2022-23, we will follow up the following audits:

- Building Permits and Inspections
- Halifax Regional Police Information Technology
- Management of Accounts Payable
- Transit Technology Project Management

The percentage of recommendations complete after 18 months is down significantly from prior years – now at 63% versus 87% in late 2020. Management told us Covid 19 contributed to challenges implementing recommendations. In addition to our 2022-23 scheduled 18-month follow-up reviews, we will also follow up all outstanding recommendations from 2017 to 2019:

- Halifax Water Management of Drinking Water Safety
- Management of Surplus Buildings and Land
- Procurement
- Management of Development Approvals
- Halifax Transit Bus Maintenance
- Payroll Management
- Road and Sidewalk Asset Management

## **Contact Us**

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