

AUDITOR GENERAL

Halifax Regional Municipality

Regional Council

Annual Report Period Ended March 31, 2016[©]

July 19, 2016

Mission: To make a significant contribution to the enhancement of HRM's performance, governance and accountability.

OAG provides assistance to Regional Council in holding itself and Administration accountable for quality of stewardship over public funds & achieving value for money in municipal operations



First responsibility is to the public

Full description of the role, mandate and authority is found in HRM Charter Sections 49 to 54

Summary

Report period
April 1, 2015 -
March 31, 2016



62 new recommendations
to HRM Management

Five additional
reports were
released in
2015/2016
review period

All 62 new
recommendations
accepted by
HRM
Management

Total of 35
OAG reports
since
April 1, 2010

645 total recommendations
since commencement

Recommendation Status Reporting

Since April 1, 2015 the OAG has completed and posted Risk Rankings for all 645 recommendations

As of March 31, 2016, nearly all published reports are in the follow-up process and management self-assessments, work plans and recommendation status reports are being discussed and reviewed



**RECOMMENDATION STATUS REPORT
2010-2011 Reports**

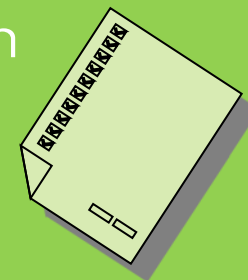
| | Recommendations | | | Status of Recommendations Summary | | | |
|--|-----------------|---------------------|-----------|-----------------------------------|------------------------------|--------------------|------------|
| | Risk Ranking | Detailed Assessment | Number | COMPLETE | MANAGEMENT RESPONSE ACCEPTED | PARTIALLY COMPLETE | INCOMPLETE |
| Published Reports | | | | | | | |
| Corporate Grants, Donations and Contributions | | | 30 | | | | |
| Corporate Overtime - Risk and Opportunity - Phase 1 | | | 14 | | | | |
| Transit Cash Collection and Processing Fare Box Processing and Maintenance | | | 29 | | | | |
| Purchase & Installation Bus Wash - Metro Transit | | | 8 | | | | |
| Compliance Review: Recreation Area Rates | | | 10 | | | | |
| Risk Assessment - Automatic Forwarding of Email Data Sovereignty | | | 1 | 1 | - | - | - |
| Theft of Coin - Parking Meters | | | 2 | | | | |
| Theft of Coin, Tickets - Metro Transit | | | 4 | | | | |
| Unsolicited Emails | | | 1 | 1 | - | - | - |
| Total | | | 99 | 2 | | | |

Results are maintained in a live Recommendation Status Report (dashboard) posted online www.halifax.ca/auditorgeneral

Professional Standards

Focus on
continuous
improvement
and
adherence to
professional
standards

Considerable time spent on
development of and
updating reference
material, procedures manual,
project guidelines and
procedures for value for
money and compliance
projects



Active
Professional
Standards
committee

Training and development
of new OAG staff members

Active participation with the Canadian Comprehensive Audit Foundation (CCAF)



OAG featured in CCAF article - "CCAF Efficiency Guide is Making a Difference with the Halifax AG"

Hosted CCAF International Fellows visiting from Ghana, Cameroon and Tanzania.



- As of March 31, 2016, the OAG was staffed as follows:
 - Auditor General
 - Assistant Auditor General
 - Senior Associate (1)
 - Lead Associates (2)
 - Associates (2)
 - Researcher/Analyst

- Certifications include FCPA, FCA, CPA, CA, CMA, CIA, CRMA, MBA and ICD.D

Fifth full year of
operation –
T.I.P.S. Hotline



2015 T.I.P.S. Annual Report
was presented at Audit &
Finance Standing Committee on
February 12, 2016 and
published online

T.I.P.S. Hotline is
used by HRM
staff and
members of the
public

HALIFAX Residents Business Government

Auditor General

Office of the Auditor General Tips Hotline

The Taking Improvement & Performance Seriously (TIPS) Hotline has been established to capture and evaluate concerns or complaints related to potential inefficiencies (waste) or fraud (illegal/irregular behaviour) involving HRM resources. It is not intended to replace normal business processes already established by HRM or to address current or ongoing issues of an operational nature. These are handled within the mandates of individual business units.

Report concerns using the form below or by calling 902-490-1144.

* Indicates required fields.

Incident Information

* **Nature of Concern** * **Incident Date** * **Incident Time** AM PM

* **Approximate Location** 100 Characters

* **Details** 1000 Characters

Equipment/Tool/Vehicle involved (if applicable)
(ie. vehicle make, model, colour, licence plate number, ect)

Summary of Projects

Completed for the period of
April 1, 2015
to
March 31, 2016

Project Summary

Table 1 – Summary of Projects Completed for the period April 1, 2015 to March 31, 2016

| Report Title | Date | Synopsis of Objectives | Recommendations |
|---|------------|---|-----------------|
| A Performance Review of Risk Management: Fuel Spill at Halifax Transit [©] | March 2015 | To identify the internal controls in place to manage fuel inventory at Halifax Transit and areas where improvement is needed. To determine compliance with petroleum management legislation. To understand how the environmental risks associated with petroleum at Halifax Transit were being managed. | 8 |
| Compliance Review of Expenses: Mayor, Councillors, Senior Management and Staff, 2013/14 [©] | April 2015 | The main objective of this project was compliance in nature. The focus was to verify adherence to the Employment Expense Reimbursement Policy and the Purchasing Card Policy in place at the time of the expenditure. | 7 |
| Performance Review of Halifax Regional Municipality's Building Standards – Permits and Inspections [©] | July 2015 | This review was to identify opportunities to improve operational efficiency and effectiveness of permit and inspection services provided through HRM's Building Standards Division. | 15 |

Project Summary

| Report Title | Date | Synopsis of Objectives | Recommendations |
|--|---------------|---|-----------------------|
| Follow-Up Review of Halifax Regional Municipality Overtime [©] | November 2015 | To provide assurance as to the completion of the recommendations of the 2010 report 'Corporate Overtime – Risk and Opportunity – Phase I'. In addition, to review trends in overtime data and to provide follow-up commentary around the current use of overtime across HRM business units. | 3 new (9 reissued) |
| A Performance Review of the Management of Halifax Regional Municipality's Reserve Funds [©] | November 2015 | To verify whether procedures and controls around the management of reserve funds ensures an effective use and demonstrates good stewardship of funds. | 29 |
| | | Total | 62 |

Conclusion

See - Reflections on the Past Seven Years on page 6 for full commentary

I would like to extend my personal thanks to

Mayor Savage and members of the Regional Council as well as members of the previous Regional Council

Chairs & Vice-Chairs of the Audit & Finance Standing Committee

CAO's, DCAO's, Directors and all HRM staff

Special thank you to Councillor Gloria McCluskey for bringing forward and championing the OAG

To all who have worked at the OAG over the previous 6 years and to Andrea, Cindy, David M, David R, Jordie, Madelaine and Sara for a job very well done

Conclusion

See - Reflections on the Past Seven Years on page 6 for full commentary
I would like to extend my personal thanks to

Finally, thank you to the residents of HRM - it has been a privilege

Note

Due to all past reports having been published for some time now, the OAG would respectfully ask any specific questions on reports or processes to be directed to the office.

Thank you!