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**AUDITOR GENERAL**

Halifax Regional Municipality

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**T.I.P.S. Hotline**  
**- Taking Improvement and  
Performance Seriously**

**2014 Annual Report**

# AUDITOR GENERAL

Halifax Regional Municipality

## TIPS Hotline 2014 Annual Report

March 2014

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## Preamble

In 2011, the Office of the Auditor General (OAG) launched a confidential telephone and online service to act as an independent point of contact, augmenting other reporting mechanisms for the organization and its employees. The TIPS Hotline continues to receive contacts from citizens and employees of HRM.

The TIPS Telephone Hotline along with the Internet based alternative, is not intended to replace business processes established by HRM to address issues of an operational nature, but rather to capture and evaluate concerns or complaints of potential inefficiencies (waste) or fraud (potentially illegal/irregular behaviour) involving HRM resources.

In this the fourth full year of operation (2014), the TIPS Hotline (telephone and web form) received 45 contacts (an increase of more than 150% over 2013) relating to a variety of concerns involving HRM business units.

## Methodology

Contacts through the TIPS Hotline received by the OAG are reviewed and managed within a pre-defined framework. Concerns are screened and considered for further action based on the initial information provided. With most contacts, preliminary inquiries are conducted to determine whether the concern(s) appears to have merit, falls within the mandate of the OAG and/or to obtain additional information which might suggest further action.

Individuals contacting the OAG through the TIPS Hotline (or other means for that matter) may remain anonymous but are encouraged to leave contact information (which is held in strict confidence) to be accessed only if the issue requires further clarification. In any situation where the information provided has insufficient detail and no contact information is provided, further follow-up is difficult.

## Disposition of Contacts

Contacts received by the OAG may be administered in one or more of the following ways:

- No action
  - based on insufficient detail and no contact information provided,
  - based on preliminary inquiries,
  - complaint outside the responsibility area of OAG,
- Referral to and follow-up with
  - business unit(s),
  - ABC (Agency, Board or Commission),
  - Outside agency/agencies,
- File opened and formal review or examination undertaken by OAG,
- Compliance or value for money project commenced,
- Audit Universe Candidate (future project candidate or part of a larger project).

## Synopsis

Each opened file is managed until it has been resolved to the extent possible. In any case where a formal review or examination is undertaken (based on preliminary findings), sufficient and appropriate information/evidence is gathered to support the OAG's conclusion(s). In cases where the available information does not support a conclusive finding, the file is closed as unsubstantiated. (This does not mean the concern could not have merit, only there was insufficient evidence available.) However, given the nature of the concern, it may subsequently be included in the work plan of the Auditor General as an emerging issue and/or recommendations may be made to HRM Administration to highlight the issue(s) or risk(s) which could continue to be of concern. It is also possible concerns may not warrant an individual project, but may become a component of another project within the OAG audit universe.

In cases where a file is opened and the OAG examination supports the allegation or concern, the concern is considered substantiated. Not all substantiated findings reflect wrongdoing or wastefulness on the part of any one individual. A substantiated finding may reflect poor policy design, the improper application of a business process or simply poor judgement.

During 2014, 10 concerns brought to the OAG's attention through TIPS were subsequently included in the OAG audit universe for future consideration.

Of the 45 concerns received by the OAG during 2014, 28 concerns gave rise to an opened file and examination, which may have resulted in the concern being included in the work plan of the Auditor General as an emerging issue, recommendations being made to HRM Administration or referral to HRM Administration.

An area of growing concern to the OAG is the number of calls with the final disposition outside of the mandate of the Auditor General. In 2012, 16% of calls were deemed outside of the mandate of the OAG, in 2013 this grew to 18%. During 2014 the number of calls deemed outside the responsibility of the office grew to 38% (17 of 45) of all concerns received. As mentioned in the preamble, the TIPS line is not intended to replace normal business processes established by HRM to address issues of an operational nature, but rather to capture and evaluate concerns or complaints of potential inefficiencies (waste) or fraud (potentially illegal/irregular behaviour) involving HRM resources. The OAG believes this increase in calls outside of the mandate is a result of other reporting channels not being clearly communicated to citizens and/or employees.

## Summary Tables Description

The Tables which follow provide aggregate information regarding the types of concerns (and disposition) received during calendar year 2014.

**Table 1 Contacts - Relating to a Business Unit / Agency, Board or Commission – Calendar Year 2014** provides the numerical breakdown of contacts received where responsibility with respect to the matter most likely resided at the time of the contact (by business unit, agency, board or commissions). Business unit, agency, board and commission information is presented based on the HRM organizational structure in place at the start of 2014.<sup>1</sup>

**Table 2 Contacts by Nature of Concern, Business Unit / Agency, Board or Commission – Calendar Year 2014** summarizes in general terms, the types of matters received by business unit as categorized by the OAG. The concerns category provides a succinct explanation as to the nature of the issue while maintaining confidentiality and privacy.

**Table 3 Contacts by Initial Nature of Concern – Calendar Years 2014, 2013** indicates the numeric change in the nature of the concerns received by the OAG.

**Table 4 – Contacts by Final Disposition – Calendar Year 2014** - indicates how the concerns were classified and closed subsequent to an initial examination by the OAG.

<sup>1</sup> HRM Administration undertook a Business Unit / Operational realignment in Fall 2014 altering reporting relationships and Business Unit names.

**Table 1 Contacts - Relating to a Business Unit / Agency, Board or Commission – Calendar Year 2014**

<b>Business Unit / Agency, Board or Commission</b>	<b>Number of Contacts</b>
Chief Administrator's Office	2
Regional Council	3
Community & Recreation Services	3
Finance, Information, Communications and Technology	6
Halifax Regional Fire and Emergency	5
Halifax Regional Police	1
Halifax Public Libraries	2
Halifax Transit	7
Planning and Infrastructure	4
Transportation and Public Works	9
Non-Specific or Multiple Business Units	3
<b>Total</b>	<b>45</b>

**Table 2 Contacts by Nature of Concern, Business Unit / Agency, Board or Commission – Calendar Year 2014**

<b>Business Unit / Agency, Board or Commission</b>	<b>Conflict of Interest</b>	<b>Contract Management</b>	<b>Customer Service</b>	<b>Hiring Practices</b>	<b>Misuse of HRM Resources</b>	<b>Procurement Practices</b>	<b>Related to Regional Council</b>	<b>Staff Conduct</b>	<b>Other</b>	<b>Total</b>
Chief Administrator's Office	1				1					2
Regional Council							2		1	3
Community & Recreation Services			1		1			1		3
Finance, Information, Communications and Technology	2			1	2		1			6
Halifax Regional Fire and Emergency					5					5
Halifax Regional Police					1					1
Halifax Public Libraries				1	1					2
Halifax Transit		1			3	1			2	7
Planning and Infrastructure	1			1			1		1	4
Transportation and Public Works		2			1	2	1	2	1	9
Non-Specific or Multiple Business Units							1		2	3
<b>Total</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>15</b>	<b>3</b>	<b>6</b>	<b>3</b>	<b>7</b>	<b>45</b>



**Table 3 Contacts by Initial Nature of Concern – Calendar Years 2014, 2013**

Initial Category of Contact/Concern	2014	2013	Change over 2013
Conflict of Interest	4		+4
Contract Management	3	5	-2
Customer Service	1		+1
Hiring Practices	3	3	-
Misuse of HRM Resources	15	2	+13
Procurement Practices	3	2	+1
Related to Regional Council	6		+6
Staff Conduct	3	3	-
Other	7	2	+5
<b>Total</b>	<b>45</b>	<b>17</b>	<b>+28</b>

**Table 4 – Contacts by Final Disposition – Calendar Year 2014**

<b>OAG Disposition</b>	<b>Number of Contacts</b>
Closed - Audit Universe Candidate	17
Closed - Complaint outside of Mandate	17
Closed - Referred to Business Unit	5
Closed after Preliminary Inquiry	5
File Open	1
<b>Total</b>	<b>45</b>