



**AUDIT AND FINANCE STANDING COMMITTEE
SPECIAL MEETING
DRAFT MINUTES
APRIL 29, 2021**

PRESENT: Councillor Russell, Chair
Councillor Deagle Gammon, Vice Chair
Councillor Hendsbee
Councillor Purdy
Councillor Cleary
Councillor Morse
Mayor Savage

GUESTS: Councillor Mason

STAFF: Jacques Dubé, Chief Administrative Officer
Jane Fraser, Chief Financial Officer and Executive Director of ICT
Karen MacDonald, Litigation Team Lead and Solicitor
Evangeline Colman-Sadd, Auditor General, Halifax Regional Municipality
Elora Wilkinson, Planner II
Dave Reage, Executive Director, Halifax Transit
Marc Santilli, Manager, Technical Services, Halifax Transit
Annie Sherry, Legislative Assistant
Simon Ross-Siegel, Legislative Assistant

Please note these minutes require approval at a future meeting of the Audit and Finance Standing Committee.

The following does not represent a verbatim record of the proceedings of this meeting.

The agenda, reports, supporting documents, information items circulated, and video (if available) are online at halifax.ca.

These minutes are considered draft and will require approval at a future meeting.

**Audit and Finance Standing Committee
Special Meeting Draft Minutes
April 29, 2021**

The meeting was called to order at 11:02 a.m. The Standing Committee moved into an In Camera (In Private) session at 12:10 p.m. and reconvened at 12:40 p.m. The Standing Committee adjourned at 12:43 p.m.

1. CALL TO ORDER

The Chair called the meeting to order at 11:02 a.m.

2. APPROVAL OF MINUTES – March 25, 2021

MOVED by Councillor Cleary, seconded by Councillor Deagle Gammon

THAT the minutes of the March 25, 2021 Audit and Finance Standing Committee be approved.

MOTION PUT AND PASSED UNANIMOUSLY.

3. APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS

Additions- Item 15.1, *Spring Garden Streetscape Budget Increase & Tender Award* was added to the agenda upon receipt of unanimous consent of the committee.

Deletions- None

The Standing Committee requested that item 15.1 be moved up on the agenda for discussion prior to Item 12.1.1.

MOVED by Councillor Hendsbee, seconded by Councillor Deagle Gammon

THAT the agenda be approved as amended.

MOTION PUT AND PASSED UNANIMOUSLY.

4. BUSINESS ARISING OUT OF THE MINUTES – NONE

5. CALL FOR DECLARATION OF CONFLICT OF INTERESTS – NONE

6. MOTIONS OF RECONSIDERATION – NONE

7. MOTIONS OF RESCISSION – NONE

8. CONSIDERATION OF DEFERRED BUSINESS – NONE

9. NOTICES OF TABLED MATTERS – NONE

10. CORRESPONDENCE, PETITIONS & DELEGATIONS

10.1 Correspondence – None

10.2 Petitions – None

10.3 Presentation – None

11. INFORMATION ITEMS BROUGHT FORWARD – NONE

12. REPORTS

12.1 AUDITOR GENERAL

12.1.1 Management of Accounts Payable Audit

The following was before the Standing Committee:

- A staff information report dated April 26, 2021
- A presentation titled, "Management of Accounts Payable Audit" dated April 29, 2021

Evangeline Colman-Sadd, Auditor General, Halifax Regional Municipality, presented on the results of the Management of Accounts Payable Audit. Highlights of the presentation included:

- Scope of the audit
- Noted compliance with documented policies and procedures, most accounts payable functions being effectively managed, and invoices paid in a timely manner
- Improvements needed on one-time vendor accounts – no documented policy on when to use a one-time vendor account, multiple duplicate vendors entered, lack of internal controls around entry and payment.
- Four recommendations from the Auditor General's Office that have been accepted by management of Finance, Asset Management, and Information, Communication, and Technology.

Evangeline Colman-Sadd responded to questions from members of the Committee regarding the amount and nature of the vendor duplicates found, and the importance of internal controls on accounts payable to mitigate fraud risk.

Jane Fraser, Chief Financial Officer and Executive Director of ICT clarified Human Resources processes and internal controls that currently exist to mitigate fraud risk.

12.1.2 Transit Technology Project Management Audit

The following was before the Standing Committee:

- A staff information report dated April 26, 2021
- A presentation titled, "Transit Technology Project Management Audit" dated April 29, 2021

Evangeline Colman-Sadd, Auditor General, Halifax Regional Municipality, presented on the results of the Transit Technology Project Management Audit. Highlights of the presentation included:

- Project background, program budget, project management and timelines
- Contracts and vendor selection
- Issues including lack of detailed capital budget support, an unrealistic timeline for completion due to the complexity of the project, and a lack of a business case regarding an internal or external project management resources
- Four recommendations from the Auditor General's Office that have been accepted by management of Halifax Transit.

Evangeline Colman-Sadd clarified that the scope of this audit was the day-to-day management of the Transit Technology Project. Responding to questions from members of the Committee, Colman-Sadd highlighted the length of time for procurement processes has contributed to the length of time for the project, a lack of detailed documentation from Halifax Transit for requests for Capital Budget support on this project from Regional Council, and suggested that members of Regional Council ask management what they are doing to ensure that information is supported and documented during the Capital Budget process.

Jane Fraser, Chief Financial Officer and Executive Director of ICT responded to a question from the Committee regarding what Regional Council should be looking for when Business Units ask for Capital Budget support by highlighting continuous improvement mechanisms throughout the Capital Budget process.

Jacques Dubé, Chief Administrative Officer, highlighted that referring to project charters and building questions from these documents are an effective way for members of Regional Council to hold Business Units accountable throughout the Capital Budget process.

MOVED by Councillor Deagle Gammon, seconded by Councillor Purdy

THAT the Audit and Finance Standing Committee move In Camera for the remainder of the discussion on agenda item 12.1.2.

MOTION PUT AND PASSED UNANIMOUSLY.

12.2 STAFF – NONE

12.3 GRANTS COMMITTEE – NONE

12.4 COMMITTEE MEMBERS – NONE

13. MOTIONS – NONE

14. IN CAMERA (IN PRIVATE)

This matter was dealt with In Camera (In Private) and ratified in public as follows:

MOVED by Councillor Deagle Gammon, seconded by Councillor Hendsbee

THAT the Audit and Finance Standing Committee forward the Management of Accounts Payable Audit Report, Transit Technology Project Management Audit Report, and the In Camera Transit Technology Project Management Audit Report to Regional Council as information items.

MOTION PUT AND PASSED UNANIMOUSLY.

15. ADDED ITEMS

15.1 Spring Garden Streetscape Budget Increase & Tender Award

The following was before the Standing Committee:

- A staff recommendation report dated April 21, 2021

Elora Wilkinson, Planner II provided an overview of the report and responded to questions from committee members regarding funds set aside for construction mitigation, communication efforts with partners like the Spring Garden Business Association, elevated costs in construction due to the pandemic, and the anticipated process for the replacement of the lining of a sewer main in 15-20 years.

Mayor Savage thanked staff members, clarified that this project has been an ongoing conversation for years, and the importance of the Halifax Regional Municipality having made investments in this area for over a decade.

MOVED by Mayor Savage, seconded by Councillor Deagle Gammon

THAT the Audit and Finance Standing Committee recommend that Regional Council:

- 1. Approve an increase to RFP 19-343 (PO# 2070833513) to WSP for design services required to remove Halifax Water's watermain from the project scope in the amount of \$8,049.31 (net HST included) from Capital Account No. CD000001- Streetscapes - Spring Garden Road (to be recouped through cost sharing), as outlined in the Financial Implications section of this report.**
- 2. Approve a gross budget increase of \$1,006,569 to Capital Account No. CD000001 – Streetscapes – Spring Garden Road, with no net budget increase, with cost sharing from Halifax Water, Bell Aliant, Heritage Gas and Westwood Development Ltd, as outlined in the Financial Implications section and detailed in the attachments of this report.**
- 3. Approve a gross budget increase of \$1,714,996 to Capital Account No. CD000001- Streetscapes - Spring Garden Road, with no net budget increase, with funding from an**

unbudgeted reserve withdrawal from Capital Reserve (Q526) as outlined in the Financial Implications section of this report.

- 4. Award Tender No. 21- 209, Request for Tender - Spring Garden Road Streetscape to the lowest bidder meeting specifications, Brycon Construction Ltd. for a Total Tender Price of \$10,518,393.37 (net HST included) with funding from Capital Account No. CD000001- Streetscapes - Spring Garden Road as outlined in the Financial Implications section of this report.**
- 5. Award the Construction Phase and Post-Construction Services component of RFP No. 19-343 Spring Garden Road Streetscape: Detailed Design and Construction Documents, to WSP in the amount of \$372,104.96 (net HST included).**

MOTION PUT AND PASSED UNANIMOUSLY.

16. NOTICES OF MOTION – NONE

17. DATE OF NEXT MEETING – May 19, 2021

18. ADJOURNMENT

The Committee adjourned at 12:43 P.M.

Annie Sherry
Legislative Assistant

DRAFT