



**AUDIT AND FINANCE STANDING COMMITTEE
MINUTES
May 15, 2019**

PRESENT: Councillor Russell Walker, Chair
Councillor Lorelei Nicoll, Vice Chair
Councillor Bill Karsten
Councillor Matt Whitman

REGRETS: Councillor Stephen D. Adams
Councillor Steve Craig

STAFF: Jacques Dubé, Chief Administrative Officer
John Traves, Municipal Solicitor
Jane Fraser, Chief Financial Officer
Krista Vining, Legislative Assistant

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.

The Audit and Finance Standing Committee meeting was called to order at 10:05 a.m., and moved into an In Camera (In Private) session at 10:48 a.m. and reconvened at 11:10 a.m. The Standing Committee adjourned at 11:17 a.m.

1. CALL TO ORDER

The Chair called the meeting to order at 10:05 a.m.

2. APPROVAL OF MINUTES – March 27 and April 17, 2019

MOVED by Councillor Nicoll, seconded by Councillor Karsten

THAT the minutes of March 27 and April 17, 2019 be approved as circulated.

MOTION PUT AND PASSED.

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

The Standing Committee agreed to change the order of business to deal with item 12.1.2 Payroll Management Audit prior to item 12.1.1 Purchasing Card Audit.

MOVED by Councillor Whitman, seconded by Councillor Karsten

THAT the order of business be approved as amended.

Two-third majority vote required.

MOTION PUT AND PASSED.

- 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

11. INFORMATION ITEMS BROUGHT FORWARD – NONE

12. REPORTS

12.1 AUDITOR GENERAL

12.1.1 Purchasing Card Program Audit

The following was before the Standing Committee:

- A report from the Auditor General dated May 10, 2019
- A presentation from the Auditor General entitled: Purchasing Card Program Audit

Evangeline Coleman-Sadd, Auditor General and Paul Flinn, Audit Director presented their audit of the Purchasing Card Program. The Auditor General confirmed that management has accepted all eight (8) of

their recommendations, noting that the Purchasing Card Policy should be should be updated, if required, and enforced, and non-compliance addressed.

The Standing Committee discussed the audit, with the Auditor General and staff responding to questions. Members expressed concern with inappropriate/noncompliant credit card purchases being made by staff and Procurement not effectively managing HRM's Purchasing Card Program, as outlined in the Auditor General's May 10, 2019 report.

In response to the Auditor General's 18 month follow up timeline with management, Jane Fraser, Chief Financial Officer advised that staff would update the Standing Committee in six months on management's implementation of the Auditor General's recommendations.

MOVED by Councillor Karsten, seconded by Councillor Nicoll

To convene into In Camera (In Private) to discuss a personnel matter related to the purchasing card program audit.

MOTION PUT AND PASSED.

Upon reconvening in public, the Auditor General advised that there was no clear indication of fraudulent behavior in the use of the credit cards to turn the matter over to Police. Jacques Dubé, Chief Administrative Officer stated that management undertook their own investigation and agreed that there was no clear evidence of fraud or intent of fraud.

12.1.2 Payroll Management Audit

The following was before the Standing Committee:

- A report from the Auditor General dated May 9, 2019
- A presentation from the Auditor General entitled: Purchasing Card Program Audit

Evangeline Coleman-Sadd, Auditor General and Paul Flinn, Audit Director presented their audit of the Payroll Management Audit. The Auditor General has confirmed that management has accepted all nine (9) of their recommendations and noted that improved monitoring was needed.

The Standing Committee discussed the audit, with the Auditor General and staff responding to questions. In response to the Auditor General's 18 month follow up timeline with management, Jane Fraser, Chief Financial Officer advised that staff would update the Standing Committee in six months on management's implementation of the Auditor General's recommendations.

12.2 FINANCE AND RISK MANAGEMENT – NONE

12.3 INVESTMENT REPORTS – NONE

12.4 STAFF – NONE

12.5 GRANTS COMMITTEE – NONE

12.6 COMMITTEE MEMBERS – NONE

13. MOTIONS – NONE

14. IN CAMERA (IN PRIVATE)

14.1 PERSONNEL MATTER – Purchasing Card Program Audit

This matter was dealt with In Camera (In Private) with no further action being taken. Refer to Item 12.1.1 respecting the public discussion.

15. ADDED ITEMS – NONE

16. NOTICES OF MOTION – NONE

17. PUBLIC PARTICIPATION

No members of the public came forward at this time.

18. DATE OF NEXT MEETING – June 26, 2019

19. ADJOURNMENT

The meeting adjourned at 11:17 a.m.

Krista Vining
Legislative Assistant