



**AUDIT AND FINANCE STANDING COMMITTEE
MINUTES
November 20, 2019**

PRESENT: Councillor Russell Walker, Chair
Councillor Lorelei Nicoll, Vice Chair
Councillor Bill Karsten
Councillor Stephen Adams
Councillor Matt Whitman
Councillor Paul Russell
Mayor Mike Savage

STAFF: John Traves, Municipal Solicitor
Jane Fraser, Chief Financial Officer
Jacques Dube, Chief Administrative Officer
Robyn Dean, 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 meeting was called to order at 10:00 a.m. and adjourned at 10:36 a.m.

1. CALL TO ORDER

The Chair called the meeting to order at 10:00 a.m.

2. APPROVAL OF MINUTES – October 23, 2019

MOVED by Councillor Adams, seconded by Councillor Whitman

THAT the minutes of October 23, 2019 be approved as circulated.

MOTION PUT AND PASSED.

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

MOVED by Councillor Whitman, seconded by Councillor Russell

THAT the agenda be approved as presented.

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 LED Streetlight Conversion Project Audit

The following was before the Standing Committee:

- A report dated November 15, 2019
- A presentation entitled "LED Streetlight Conversion Project Audit"

Evangeline Colman-Sadd, Auditor General, gave a brief overview of the LED Streetlight Conversion Project Audit. The Auditor General noted the following points:

- HRM had effective processes in place to manage the project
- Project risks, schedules, and budget were monitored throughout the project, although there was room for improvement in project planning
- Savings have been realized since moving to LED streetlights
- Contracts complied with procurement policy

Paul Flinn, Audit Director, went into a more detailed review of the results of the audit. Specifically, the project was delayed by six (6) months due to difficulties interpreting the contract. Additionally, Flinn noted that the project was completed approximately four (4) percent over the estimated budget. Flinn also noted the following areas for improvement in project planning:

- Management did not complete a comprehensive risk assessment

- Although most key roles and responsibilities were well defined, the IT role was not clearly identified and the IT hardware and system management costs were not considered in planning
- Although HRM staff developed project budgets and forecasts which were submitted to Regional Council for approval and project funding, there was a lack of supporting documentation and no central file

The Auditor General gave a summary of the audit. It was stated that the audit led to two recommendations which were both accepted by management:

1. Develop a risk assessment process
2. Implement a policy for significant capital project files

The Auditor General responded to questions from the Standing Committee and confirmed that a follow-up will occur in 18 months as per protocol. Additionally, it was noted that the Office of the Auditor General will be releasing audits in early 2020 on the management of HRM's new website project and on fleet vehicle usage. Furthermore, the Auditor General stated that the first 18-month follow-ups under the new process will also be released in early 2020, specifically on the audits relating to management of surplus buildings and land, management of drinking water safety, and contract management.

12.2 STAFF

12.2.1 Halifax's Regional Destination Development Plan

The following was before the Standing Committee:

- A staff recommendation report dated October 9, 2019

MOVED by Councillor Russell, seconded by Councillor Karsten

THAT the Audit and Finance Standing Committee recommend that Halifax Regional Council approve a contribution of \$50,000 towards the development of a Regional Destination Development Plan by Discover Halifax.

MOTION PUT AND PASSED.

12.2.2 Proposed 2020 Audit & Finance Standing Committee Meeting Schedule

The following was before the Standing Committee:

- A staff recommendation report dated November 14, 2019

MOVED by Councillor Adams, seconded by Councillor Nicoll

THAT the Audit & Finance Standing Committee approve the proposed 2020 meeting schedule as outlined in Attachment 1 of the staff report dated November 14, 2019.

MOTION PUT AND PASSED.

12.2.3 Second Quarter 2019/20 Financial Report

The following was before the Standing Committee:

- A staff recommendation report dated November 12, 2019
- A presentation entitled "Second Quarter Report"

MOVED by Mayor Savage, seconded by Councillor Karsten

THAT the Audit & Finance Standing Committee forward the Second Quarter 2019/20 Financial Report to Regional Council for their information.

Dave Harley, Acting Manager of Financial Reporting, gave a presentation on the Second Quarter 2019/20 Financial Report and responded to questions from the Standing Committee. Harley noted that there was

a projected surplus of \$7.9 million and went over risks (i.e., impacts of winter-related weather conditions, commodity costs, and decreasing parking revenue) and opportunities (i.e., general contingency reserve available balance of \$3.2 million). Additionally, Harley reported on Councillors' funds (District Capital Funds vs. District Activity Funds), recreation area rates, reserves, aged accounts receivable, the capital projection summary, hospitality expenses, and expenses for reportable individuals.

MOTION PUT AND PASSED.

12.3 GRANTS COMMITTEE – NONE

12.4 COMMITTEE MEMBERS – NONE

13. MOTIONS – NONE

14. IN CAMERA (IN PRIVATE) – NONE

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 – December 4, 2019

19. ADJOURNMENT

The meeting was adjourned at 10:36 a.m.

Robyn Dean
Legislative Assistant