

AUDIT & FINANCE STANDING COMMITTEE  
MINUTES

October 17, 2012

PRESENT: Councillors: Russell Walker, Chair  
Barry Dalrymple  
Deputy Mayor Karsten  
Gloria McCluskey  
Linda Mosher  
Stephen Adams  
Tim Outhit

REGRETS: Councillor Uteck

STAFF: Mr. Greg Keefe, Acting Director of Finance and Information,  
Communications & Technology/CFO  
Donna Davis, Chief Information Officer  
Mr. Derek Tynski, Finance  
Ms. Sherrill Murphy, Deputy Clerk  
Mr. Matt Godwin, Legislative Assistant

OFFICE OF THE  
AUDITOR GENERAL: Mr. Larry Munroe, Auditor General  
Ms. Cathie Osborne, Deputy Auditor General  
Ms. Pauline Boudreau, Administrative Officer

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**1. CALL TO ORDER**

Councillor Walker, Chair, called the meeting to order at 10:14am in the Dartmouth Council Chamber, 90 Alderney Drive, Dartmouth.

**2. APPROVAL OF MINUTES – July 18, 2012**

**MOVED by Councillor McCluskey, seconded by Councillor Outhit that the minutes of July 18, 2012, as presented, be approved. MOTION PUT AND PASSED.**

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

Addition:

The Chair asked that Information Item #2 be added to the agenda as 11.1.

**MOVED by Councillor McCluskey, seconded by Councillor Outhit that the agenda, as amended, be approved. MOTION PUT AND PASSED.**

**4. BUSINESS ARISING OUT OF THE MINUTES – NONE**

**5. MOTIONS OF RECONSIDERATION – NONE**

**6. MOTIONS OF RESCISSION – NONE**

**7. CONSIDERATION OF DEFERRED BUSINESS**

**7.1 Consolidating the budget process**

The item, deferred from Audit and Finance Standing Committee meeting of July 18, 2012, was before the committee.

Greg Keefe, Director of Finance and ICT, indicated this was before the committee before consultation had been carried out. This will give Council a better picture of the budget at budget time; it doesn't present any problems and is ready to go forward.

**MOVED by Councillor McCluskey, seconded by Deputy Mayor Karsten that the Audit and Finance Standing Committee recommend that Halifax Regional Council:**

- 1. Direct staff to include in the annual HRM Budget process all Entities in the Consolidated Financial Statements for HRM, with revenues greater than \$600,000 and the Business Improvement Districts (BIDs), adhering to the same deadlines for budget submission, and;**

2. That this be effective with the next budget cycle of Fiscal 2013-14.
3. That this matter be forwarded to Halifax Regional Council as an Information Item.

**MOTION PUT AND PASSED.**

**8. CORRESPONDENCE, DELEGATIONS**

**8.1 Correspondence – Circulated**

An email regarding the SAP transfer item was circulated to the committee.

**8.2 Delegations - NONE**

**9. REPORTS**

**9.1 STAFF**

**9.1.1 Status of Grants and Special Events Advisory Committee**

Moved by Councillor McCluskey and seconded by Councillor Dalrymple that the Audit and Finance Committee recommend that Halifax Regional Council:

1. Extend the terms of the current citizen and sector representatives on the Grants and Special Events Advisory Committees to a date no later than November 13, 2013.
2. Approve the specific administrative amendments, as set out in Attachment A, to the Terms of Reference for the Grants and Special Events Advisory Committee to better reflect the new Council.

The Deputy Clerk noted that this recommendation gives the committee the power to recommend to Council changes any time before November 13<sup>th</sup>, 2013.

**MOTION PUT AND PASSED.**

**9.2 MEMBERS OF THE STANDING COMMITTEE – NONE**

**9.3 OFFICE OF THE AUDITOR GENERAL - NONE**

**9.4 SUB-COMITTEES**

**9.4.1 Grants Committee - NONE**

**9.4.2 Investment Policy Advisory Committee**

#### **9.4.2.1 Staff report on Investment Activities for the Quarter ending June 30, 2012**

**MOVED by Councillor Outhit, seconded by Councillor McCluskey that the Audit and Finance Standing Committee accept the report as presented and recommend that it be forwarded to Halifax Regional Council as an Information Item.**

**MOTION PUT AND PASSED.**

#### **9.4.2.2 Report on Staff's Compliance with the Investment Policy**

**MOVED by Councillor McCluskey, seconded by Councillor Outhit that the Audit and Finance Standing Committee accept the report as presented and recommend that it be forwarded to Halifax Regional Council as an Information Item.**

**MOTION PUT AND PASSED.**

Councillor Outhit offered thanks on behalf of the committee to Mr. Tynski and his staff for their work in preparing these reports.

#### **9.4.2.3 Annual review of the Investment Policy**

**MOVED by Councillor Outhit, seconded by Deputy Mayor Karsten that the Audit and Finance Standing Committee accept the report as presented and recommend that it be forwarded to Halifax Regional Council as an Information Item.**

#### **9.4.3 Special Events Advisory Committee – NONE**

#### **11. ADDED ITEMS**

##### **11.1 SAP Transfer**

Committee members discussed this item and directed questions to staff.

The Director of Finance prefaced the discussion by noting that staff are still giving due diligence to this item and HRM is not yet at a decision point. However, the evidence as presented would indicate a favourable decision toward the recommended transition.

At 10:23a.m. Councillor Adams entered the room.

Members of the committee expressed a reservation that there is much more information required before the Audit and Finance Committee can make a recommendation to Regional Council and requested that documents provided by the consultants following their initial evaluation be made available.

Members expressed further reservation with respect to the perception that the decision to transfer the SAP is inevitable.

Mr. Keefe advised that this transfer will save money and no unmanageable risks have been identified. However, if the Province proceeds with privatization, this analysis may change.

Councillors asked questions of staff related to changes to staff currently managing the SAP, regarding the technological transition and indicated they would like to have possession of the first business case provided by the external consultant.

Staff noted that the cost for the evaluation by consultants was roughly \$50,000.00 and \$35,000.00. Staff are engaging in a due diligence process and will present these findings to the committee before the committee is asked to make a recommendation to Council.

The Chair recommended this item should be before Council on October 23, 2012.

**MOVED by Deputy Mayor Karsten, seconded by Councillor Outhit, that the Audit and Finance Standing Committee recommend Regional Council be in possession of the SAP Transfer information report, dated October 17, 2012, for its review at the October 23, 2012 Regional Council meeting.**

**MOTION PUT AND PASSED.**

- 12. NOTICES OF MOTION - NONE**
- 13. IN CAMERA - NONE**
- 14. DATE OF NEXT MEETING – November 21, 2012**
- 15. ADJOURNMENT**

The meeting was adjourned at 10:44am.

Matt Godwin  
Legislative Assistant

## INFORMATION ITEMS

1. Upcoming Agenda Items
  - 1.1 Community Facilities Master Plan – Funding Strategies - 2012
  - 1.2 Revised Special Events Granting Framework – 2012
  - 1.3 Multi District Facility Expansion Reserve – November 2012
2. SAP Transfer
3. Schedule of Reports Coming to Committee