

AUDIT & FINANCE STANDING COMMITTEE

MINUTES

February 15, 2012

PRESENT: Councillors Russell Walker, Chair
Barry Dalrymple, Vice-Chair
Gloria McCluskey
Sue Uteck
Linda Mosher
Deputy Mayor Bill Karsten

REGRETS: Councillors: Steve Adams
Tim Outhit

OFFICE OF THE
AUDITOR GENERAL: Mr. Larry Munroe, Auditor General
Ms. Cathie Osborne, Deputy Auditor General
Mr. David Marr, Auditor
Ms. Pauline Boudreau, Coordinator

STAFF: Mr. Richard Butts, Chief Administrative Officer
Mr. Greg Keefe, Acting Director, Finance
Mr. Louis de Montbrun, Manager, Financial Reporting
Ms. Chris Newson, Legislative Assistant

Table of Contents

1.	CALL TO ORDER	3
2.	APPROVAL OF MINUTES – January 18, 2012	3
3.	APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS	3
4.	BUSINESS ARISING OUT OF THE MINUTES - NONE	3
5.	MOTIONS OF RECONSIDERATION – NONE	3
6.	MOTIONS OF RESCISSION – NONE	3
7.	CONSIDERATION OF DEFERRED BUSINESS - NONE	3
8.	CORRESPONDENCE, DELEGATIONS	3
	8.1 Correspondence - NONE	3
	8.2 Delegations	3
	8.2.1KPMG - External Auditor.....	3
9.	REPORTS	4
	9.1 STAFF - NONE	4
	9.2 MEMBERS OF THE STANDING COMMITTEE - NONE	4
	9.3 OFFICE OF THE AUDITOR GENERAL	4
	9.3.1Review of Benefits Budgeting and Overtime Drivers in HRM.....	4
	9.3.2 Review of HRM's Contribution to the Halifax Seaport Farmers' Market through the Community Facility Partnership Fund	5
	9.4 SUB-COMITTEES	6
	9.4.1 Grants Committee - NONE	6
	9.4.2 Investment Policy Advisory Committee - NONE	6
	9.4.3 Special Events Advisory Committee – NONE	6
10.	MOTIONS - NONE.....	6
11.	ADDED ITEMS - NONE	6
12.	NOTICES OF MOTION – NONE	6
13.	DATE OF NEXT MEETING – March 21, 2012.....	6
14.	ADJOURNMENT	6

1. CALL TO ORDER

The Chair called the meeting to order at 10:09 a.m. in the Council Chamber, 3rd Floor City Hall, 1841 Argyle Street, Halifax.

2. APPROVAL OF MINUTES – January 18, 2012

MOVED by Deputy Mayor Karsten, seconded by Councillor McCluskey that the minutes of January 18, 2012, as presented, be approved. MOTION PUT AND PASSED.

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

Addition: Approval of January 18, 2012 minutes

MOVED by Councillor McCluskey, seconded by Deputy Mayor Karsten, 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 - NONE

8. CORRESPONDENCE, DELEGATIONS

8.1 Correspondence - NONE

8.2 Delegations

8.2.1 KPMG - External Auditor

The KPMG Audit Planning Report for the Halifax Regional Municipality for the Year Ending March 31, 2012 was before the Standing Committee.

Mr. Carey Blair, CA, Lead Audit Engagement Partner, KPMG, presented the Audit Planning Report for the Halifax Regional Municipality for the Year Ending March 31, 2012.

Councillor Uteck entered the meeting at 10:12 a.m.

Mr. Blair noted that the Engagement Letter, outlined in Appendix 2 of the report, was now in the process of being vetted through HRM's Legal Services department prior to being forwarded to the Chief Administrative Officer for signing.

Councillor Walker, Chair, thanked Mr. Blair for his presentation.

MOVED by Deputy Mayor Karsten, seconded by Councillor Dalrymple that the Audit and Finance Standing Committee approve the Audit Planning Report for the Year Ending March 31, 2012, as presented, and authorize the Chief Administrative Officer, upon final review by HRM's Legal Services, to sign the Engagement Letter. MOTION PUT AND PASSED.

9. REPORTS

9.1 STAFF - NONE

9.2 MEMBERS OF THE STANDING COMMITTEE - NONE

9.3 OFFICE OF THE AUDITOR GENERAL

9.3.1 Review of Benefits Budgeting and Overtime Drivers in HRM

A copy of the Review of Benefits Budgeting and Overtime Drivers report was circulated to members of the Standing Committee at this time.

Mr. Larry Munroe, Auditor General, presented the report then responded to questions from Members of the Standing Committee. He advised that the full report would be available online, on the Auditor General's website, that afternoon.

Councillor Mosher advised that she would send the following list of concerns, for response, to Finance/Administration:

- Sick time/absences/vacations: what are best practices/industry standards for local government/transit and how do those statistics differ from Stats Canada, also; consider that although HRM has an older workforce, transit has a younger workforce and the problem may increase as the workforce matures
- Earned Days Off (EDO's): what is the impact of EDO's on overtime and who is monitoring this to ensure work is covered on those days off
- Vacation Times: who is monitoring vacation time to ensure there is staff available during peak vacation times, such as July, and how does the lack of a vacation policy impact overtime
- Training: why does HRM pay overtime for training
- Contributions Plan: can overtime earnings be removed from the contribution plan as overtime can be an incentive in itself; why pay more for pensions when overtime rates are paid
- Retirement Incentive Allowance: why give incentive to retire.

Councillor Uteck requested an update from Human Resources in regard to new strategies for attendance support.

Councillor Dalrymple requested clarification on whether or not \$60 million was the correct amount in reference to cuts to operational budgets/costs over the last three years.

Councillor McCluskey exited the meeting at 11:06 a.m.

Councillor Walker, Chair, thanked Mr. Munroe for his presentation and requested that the PowerPoint presentation be forwarded to Members of the Standing Committee.

9.3.2. Review of HRM's Contribution to the Halifax Seaport Farmers' Market through the Community Facility Partnership Fund

A copy of the Review of HRM's Contribution to the Halifax Seaport Farmer's Market through the Community Facility Partnership Fund report was circulated to the Committee at this time.

Mr. Larry Munroe, Auditor General, presented the report then responded to questions from Members of the Standing Committee. He advised that the full report would be available online, on the Auditor General's website, that afternoon.

Councillor Uteck expressed the following comments/concerns:

- how is Council to address accountability for such agreements when Council sets the conditions and the Administration is accountable to carry out that direction
- Council needs assurance that the benefits on which Council bases their decision results in the expected returns
- the need for immediate action on the Auditor General's recommendations regarding risk management.

Deputy Mayor Karsten raised the following comments/concerns:

- Members of Council had/have questioned the contribution to the Halifax Seaport Farmers' Market and the issue of compliance with the Municipal Government Act
- consideration should be given to including a risk management line item in reports
- he reiterated his concerns with the Community Facility Partnership Fund (CFPF) and noted that a \$500,000 line item under the CFPF remains in the budget in regard to the Citadel High auditorium.

MOVED by Deputy Mayor Karsten, seconded by Councillor Dalrymple that the Audit and Finance Standing Committee refer the matter of including a RISK MANAGEMENT section in staff reports to the Executive Standing Committee for consideration and recommendation to Regional Council. MOTION PUT AND PASSED.

Councillor Walker thanked Mr. Munroe for his presentation and requested that a copy of the PowerPoint presentation be provided to Members of the Standing Committee.

9. SUB-COMITTEES

9.4.1 Grants Committee - NONE

9.4.2 Investment Policy Advisory Committee - NONE

9.4.3 Special Events Advisory Committee – NONE

10. MOTIONS - NONE

11. ADDED ITEMS - NONE

12. NOTICES OF MOTION – NONE

13. DATE OF NEXT MEETING – March 21, 2012

14. ADJOURNMENT

The meeting was adjourned at 12:13 p.m.

Chris Newson
Legislative Assistant

IN CAMERA ITEMS - NONE

INFORMATION ITEMS

1. Upcoming Agenda Items
 - 1.1 Community Facilities Master Plan – Funding Strategies - **early spring 2012**
 - 1.2 Revised Special Events Granting Framework –**March 2012**
 - 1.3 Long Term Capital/Project Budget Pressures Review –**March 2012**
 - 1.4 Review of Existing Polices for District Activity/District Capital Funds - **March 2012**
2. Management Response to Auditor General's Report – HRM Request for Proposal (RFP) Process
3. HRM Legislative Requests Strategy