

**Audit & Finance Standing Committee  
September 21, 2011**

**TO:** Councillor Gloria McCluskey, Chair and Members of the Audit & Finance Standing Committee

**SUBMITTED BY:**   
Richards Butts, Chief Administrative Officer

**DATE:** September 8, 2011

**SUBJECT:** Auditor General's Report on Concerts on the North Commons – Request for Proposals for Review of Legal Services

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**INFORMATION REPORT**

**ORIGIN**

Auditor General's Report: "A Review of Concerts Held on the North Commons – January 2006 to March 2011" (Concert Report) was presented to Regional Council on June 7, 2011 and referred to the CAO and Audit & Finance Standing Committee for review and implementation.

Audit & Finance Standing Committee – June 15, 2011 – Action Summary for Agenda Item 11.1 – The CAO's office will provide a report to the Audit and Finance Standing Committee for their next meeting in regard to a work plan with prioritizing the recommendations.

Audit & Finance Standing Committee – August 17, 2011 – 9.1.1 Work plan to Implement Auditor General's Recommendations in Review of the Concerts on the North Common.

## **BACKGROUND**

At the August 17 meeting of the Audit and Finance Standing Committee, an update was provided by the CAO on HRM's response to the Auditor General's Report: "A Review of Concerts Held on the North Commons" (Concert Report). At that time, it was noted that an Audit Coordination Team (ACT) comprised of four existing HRM staff had been struck to ensure appropriate responses and implementation plans are developed for all reports released by the Office of the Auditor General. As an initial priority, ACT has been working with HRM business units and the Trade Centre Limited (TCL) to prepare HRM's management response to the Auditor General's Concert Report, as well as developing detailed work plans to ensure the recommendations are addressed. During development of these plans, five areas of emphasis have been identified:

- Events Strategy / Service Agreement
- HRM Contract Administration
- Management Agreement with TCL
- Risk Management
- Internal Business Practices

## **DISCUSSION**

In regard to the Contract Administration and Risk Management items noted above, 16 of the 52 recommendations in the Concert Report speak to these two areas, and one of these recommendations advised Regional Council to "*obtain independent advice as to the review standard expected of Legal Services in the review of documents.*"

As a result, a Request for Proposal (RFP) is being developed which will initiate a review of HRM legal structure and processes. The review will identify all work processes where legal advice should be sought and how these are applied and tracked. Once this work is completed, the appropriate resources to fulfill the noted requirements will be identified. This may include staffing levels, technology, organization, business processes and performance indicators. A second RFP will be issued to review the HRM's risk management model and provide advice to enhance the organization's current approach to risk management.

This update is being provided at this time to ensure the Audit and Finance committee is aware that this action is being initiated and implemented in the immediate term. It is the intent to carry-out these reviews by adjusting priorities within current budget envelopes, however, in the event that alternative funding is required, a recommendation report to Regional Council may be required.

As per previous information items circulated to the committee, a comprehensive update on the status of implementation plans for all of the areas listed above will be brought forward to the Audit and Finance Standing Committee meeting in October. Detailed updates will be provided by the CAO every two months beginning with that meeting.

**BUDGET IMPLICATIONS**

There are no direct budget implications associated with this report. However, funding sources for the two Requests for Proposals noted above will be identified at a future date using existing operational budgets where possible. Should alternative funding sources be required (i.e. Reserve withdrawals) a recommendation report will be prepared for Regional Council.

**FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

**COMMUNITY ENGAGEMENT**

N/A

**ATTACHMENTS**

None

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A copy of this report can be obtained online at <http://www.halifax.ca/boardscom/SCfinance> then choose the appropriate Audit & Finance Standing Committee meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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