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Item No. 9

Halifax Regional Council May 13, 2008

TO: Mayor Kelly and Members of Halifax Regional Council

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**SUBMITTED BY:** 

Dan English, Chief Administrative Officer

**DATE:** March 25, 2008

 SUBJECT:
 Examination and Reconciliation - Parkland Reserve Funds

# **INFORMATION REPORT**

# **ORIGIN**

Staff commitment to provide a supplementary report.

# BACKGROUND

In preparing the June 12, 2007 report to Council, Case 00989-Amendments to the Regional MPS and Subdivision By-Law regarding Parkland Dedication for small Lot Subdivisions (http://www.halifax.ca/council/agendasc/documents/070612ca11112.pdf), staff made the following notation in the report. (pg. 5)

## "Evaluation of Options

The annual revenue loss is calculated based on information recorded in the Hansen system. In comparison to the SAP system, staff have noted some discrepancies and are currently investigation possible timing differences in the recognition of revenue. Give the possible timing issues, it is possible that the estimated loss of revenue could be in the range of \$25,000 to \$56,000. Staff is investigating the cause of the discrepancy and will provide a Supplementary Report to Council to address the differences."

### DISCUSSION

Business Systems and Control staff have completed the analysis of all 850 transactions in SAP (holds financial records for the organization) and Hansen (used to manage land related transactions) as it relates to this issue. Staff were able to identify and reconcile all but \$3,851.35 in the two systems or 0.2% f the total amount received.

Staff have concluded that the SAP record is the official and accurate recording of cash received for all Parkland Dedication. However, because SAP does not record 'in kind' or 'land dedications', it is an incomplete record of the parkland held by the HRM. The work currently being done for the PSAB tangible capital asset compliance requirements should address this issue.

Business Systems and Control, who worked with the respective business units on this matter, have made a number of recommendations to ensure that in the future proper reconciliation occurs. Management has reviewed the recommendations and provided a response.

#### **BUDGET IMPLICATIONS**

None

## FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

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

A copy of this report can be obtained online at <u>http://www.halifax.ca/council/agendasc/cagenda.html</u> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by :

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