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Item No. 11.3.1
Halifax Regional Council
November 12, 2013

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed

SUBMITTED BY: _____
Mayor Savage as Chair of the Executive Standing Committee

DATE: October 21, 2013

SUBJECT: Amendments to the Terms of Reference for the Audit and Finance
Standing Committee

ORIGIN

Resolution of the Executive Standing Committee dated September 23, 2013.

LEGISLATIVE AUTHORITY

Section 49 of the *Halifax Regional Municipality Charter*.

Sections 76 and 83 of Administrative Order One – Respecting the Procedures of the Council.

RECOMMENDATION

The Executive Standing Committee recommends Halifax Regional Council:

1. Amend the Terms of Reference of the Audit and Finance Standing Committee to allow a subcommittee to oversee the contract of the Auditor General.
2. That the subcommittee be comprised of the Mayor, the Chair and the Vice-Chair of the Audit and Finance Committee. They shall report as required to the Audit and Finance Committee who, in turn, report to Regional Council.

BACKGROUND

The reporting requirements of the Auditor General and assessment of his work in the context of his independent role are set forth in the *Halifax Regional Municipality Charter* and his employment contract with HRM.

Reporting Requirements

The Auditor General is appointed by Council for a 7 year term (s. 49 of the *Charter*). Section 49(6) provides that the Auditor General reports to the Council.

The responsibilities of the Auditor General are set out in s. 50 of the Charter and include:

- A Work plan is required to be filed with Council annually (s. 50(4)). Council must be updated on any substantive departure from the work plan.
- Council may request the Auditor General to examine policies, programs and procedures and to the extent that such examination can be reasonably accommodated, the Auditor General must comply with Council's request (s. 50(3) and 50(5)).
- The Auditor General is also required to report annually to Council in a public meeting.

Performance Evaluation

Assessment of the Auditor General's performance is not contained in the HRM Charter. However, the Auditor General has entered into an employment contract with HRM which provides:

11 Halifax Regional Council shall form a Review Committee for the purposes of evaluation of the performance of the Employee, and the Review Committee shall:

(i) meet with the Employee no less than two (2) times a year to review the Employee's performance and, in consultation with the Employee, determine strategic goals and objectives for the Municipality;

(ii) make the Employee aware of any deficiencies (perceived, potential, or otherwise) in his performance and allow the Employee an opportunity to respond to the same, including a period of not less than thirty (30) days to take remedial action to any specific direction given by the review committee; however, should the Review Committee remain unsatisfied with the performance of the Employee, it may submit a written report to Council which may include a recommendation that the employment of the Employee as Auditor General not continue (the "Evaluation Report") a copy of which shall be provided to the Employee who shall have the right to reply both through submission in writing and in person before Council, *in camera*, at the time the Evaluation Report is being formally considered by Council.

Thus, the evaluation of the Auditor General's performance is to be done twice a year by a committee established by the Regional Council. The committee may be the size and composition Council considers appropriate. Although this is the process agreed upon, if Council and the Auditor General agree, the process can be changed.

DISCUSSION

Halifax Regional Council does not currently have a Review Committee for the purpose of reviewing the Auditor General's performance and determining, in consultation with him, strategic goals and objectives for the Municipality. The recommended motion would allow a subcommittee of the Audit and Finance Standing committee, composed of the Mayor, Chair and Vice-Chair, to perform this function and report to the Audit and Finance Committee who, in turn, would report to Regional Council.

FINANCIAL IMPLICATIONS

There are no financial implications.

COMMUNITY ENGAGEMENT

n/a

ENVIRONMENTAL IMPLICATIONS

n/a

ALTERNATIVES

Regional Council could not accept the recommendation and select some other method of reviewing the Auditor General's performance in accordance with the *Charter* and employment contract.

ATTACHMENTS

none

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

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