

AUDITOR GENERAL

Halifax Regional Municipality

Regional Council

Annual Report Period Ended March 31, 2015[©]

June 2, 2015

Our Mission

- To make a significant contribution to the enhancement of Halifax Regional Municipality's performance, governance and accountability.

- First responsibility is to the public.
- The Auditor General provides assistance to Regional Council in holding itself and the Administration accountable for the quality of stewardship over public funds and achieving value for money in the operation of the Municipality.
- Full description of the role, mandate and authority can be found in the HRM Charter Sections 49 to 54.

- Our Annual Report is submitted in accordance with Section 50(6) of the HRM Charter which calls for the Auditor General to:
 - (a) report annually to the Council in a public meeting
 - (b) file such report with the Minister.

In addition to this report, the OAG also:

- provided reports on an ongoing basis as completed
- presented publicly at Audit and Finance Standing Committee
- published on our webpage (at the time of presentation to Audit and Finance Standing Committee).

- The OAG continues to enjoy a robust communications protocol with the Audit and Finance Standing Committee.
- This protocol is intended to assist the Committee in carrying out its duties and strengthening the Committee's role as a liaison and communications link between the Auditor General and Regional Council.

“Each person took opportunities presented to them, applied new knowledge and leveraged previous projects to produce what I believe to be some of the office’s best reports to date.”

- As a result of work completed this past year, four additional reports were released containing 122 recommendations to HRM Management.
- Management has accepted all 122 new recommendations from the 2014/2015 reviews.
- Total number of reports – 30 since the commencement of projects on April 1, 2010.
- Total number of recommendation – 568 since the commencement of projects.

Recommendation Status Reporting

- During the past year, the OAG has developed a recommendation follow-up process to ensure OAG recommendations are implemented effectively and on a timely basis by management.
- The results are currently maintained in a live Recommendation Status Report (dashboard) published on the OAG public webpage at www.halifax.ca/auditorgeneral.
- The dashboard includes management self-assessments of progress.

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RECOMMENDATION STATUS REPORT
2010-2011 Reports


| | Recommendations | | | Status of Recommendations Summary | | | |
|--|-----------------|-------------------------|--------|-----------------------------------|--------------------------|--------------------|------------|
| | Risk Ranking | Detailed Status Reports | Number | Complete | Alternative Action Taken | Partially-Complete | Incomplete |
| Published Reports | | | | | | | |
| Corporate Grants, Donations and Contributions | | | 29 | | | | |
| Corporate Overtime - Risk and Opportunity - Phase 1 | | | 14 | | | | |
| Transit Cash Collection and Processing Fare Box Processing and Maintenance | | | 29 | | | | |
| Purchase & Installation Bus Wash - Metro Transit | | | 8 | | | | |
| Compliance Review - Recreation Area Rates | | | 10 | | | | |
| Risk Assessment - Automatic Forwarding of Email: Data Sovereignty | | | 1 | | | | |
| Theft of coin - Parking Meters | | | 2 | | | | |
| Theft of Coin, Tickets - Metro Transit | | | 4 | | | | |
| Unsolicited E-mails | | | 1 | 1 | | | |
| | | | 98 | 1 | | | |

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OAG RECOMMENDATION RISK RANKING

PROJECT: UNSOLICITED E-MAILS

APRIL 2010


| RECOMMENDATION | INITIAL RISK RANKING |
|---|---|
| <p>While it was not possible to establish with certainty the source of the HRM e-mail addresses, given the first message was received by 2,162 HRM users, it would not seem completely unreasonable to believe HRM resources and time were used in some manner to acquire the e-mail addresses for the business solicitation.</p> <p>Management may wish to consider reinforcing to all HRM employees the fact that HRM e-mail accounts are intended to be used primarily to conduct HRM business and their distribution to outside sources or agencies should take place in an approved and controlled (as to purpose and subsequent distribution) manner. For obvious reasons, the receipt of unwanted and unsolicited marketing e-mails detracts from the efficient and effective operations of HRM overall.</p> |  <p>HIGH</p> |

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DETAILED STATUS REPORT

PROJECT: UNSOLICITED E-MAILS

APRIL 2010

| RECOMMENDATION | INITIAL RISK RANKING | HRM STATUS | OAG STATUS | NOTES |
|---|---|-----------------|-----------------|---|
| <p>While it was not possible to establish with certainty the source of the HRM e-mail addresses, given the first message was received by 2,162 HRM users, it would not seem completely unreasonable to believe HRM resources and time were used in some manner to acquire the e-mail addresses for the business solicitation.</p> <p>Management may wish to consider reinforcing to all HRM employees the fact that HRM e-mail accounts are intended to be used primarily to conduct HRM business and their distribution to outside sources or agencies should take place in an approved and controlled (as to purpose and subsequent distribution) manner. For obvious reasons, the receipt of unwanted and unsolicited marketing e-mails detracts from the efficient and effective operations of HRM overall.</p> |  <p>HIGH</p> | <p>Complete</p> | <p>Complete</p> | <ul style="list-style-type: none"> ➤ No further action required. See below for Management Self-Assessment of Progress. |

“I am particularly pleased to see the impacts of investments the office made in training, further development of our procedures manual and participation in the development of guides by the Canadian Comprehensive Audit Foundation”

Professional Standards Committee

- Focus on continuous improvement and adherence to professional standards
- Professional Standards Initiatives
 - Held Lunch and Learn sessions with Elected Officials - Value for Money Flow Chart
 - Active participation with the Canadian Comprehensive Audit Foundation (CCAF)
 - Further development of our procedures manual.

“Our office believes strongly in constant improvement through learning, having the courage to try new things and innovation.”

- Value for Money Flow Chart - Lunch & Learn with Elected Officials
 - Presentation demonstrating how value for money is achieved
 - Flow chart connects policy development, management functions and outcomes to effectiveness, economies and efficiency.



- Active Participation with the Canadian Comprehensive Audit Foundation (CCAF)
 - First Pan-Canadian Municipal Auditor General Forum
 - Membership on Steering Committee
 - Participation in Canadian Comprehensive Audit Foundation (CCAF) Study –Practice Guide to Auditing Oversight
 - “Delivering public services effectively and in promoting accountable government” (CCAF)
 - Guide provides auditors with guidance on how to plan, carry out and report on audits that address oversight.



Practice Guides

CCAF has initiated a program to research and develop new methodology tools, in the form of a series of “Practice Guides”.

Practice Guide to Auditing Oversight

Strong oversight is essential to the success of every public sector organization in delivering public services effectively and in promoting accountable government.

CCAF has developed new guidance that will help auditors to deliver high-quality, high-impact audits of oversight. The Practice Guide to Auditing Oversight includes theory and methodology that will assist auditors in completing all the steps involved in planning, conducting, and reporting the results of an audit of oversight.

The Practice Guide will be especially useful to auditors who wish to audit:

- oversight of agencies, boards and authorities; and
- oversight of major initiatives in departments and ministries.



Non-Member Price: \$125.00 plus applicable taxes

Click [here](#) to purchase OR [register](#) to become a member and receive access to all CCAF’s tools and products.

Practice Guide to Auditing Efficiency

Governments are having to do more with less in today’s economic environment and are trying to achieve and maximize efficiencies.

CCAF has taken a fresh look at how public sector auditors can audit for efficiency in government operations. The Practice Guide to Auditing Efficiency has the answers and guidance you need to plan, carry out and report performance of efficiency:

- Find questions to ask early on;
- Identify and address key challenges often encountered;
- Determine the right audit focus; Develop suitable audit objectives and criteria;
- Convey their observations effectively and increase their impact; Access other resourceful methodology.



“It was once again my pleasure to work with an outstanding group of professionals who I truly believe positively impacted the performance of HRM during the past year.”

- As of March 31, 2015, the Office of the Auditor General was staffed as:
 - Auditor General
 - Assistant Auditor General
 - Senior Associate
 - Lead Associates
 - Analyst / Researcher.

- Certifications include FCA, CMA, CIA, CRMA and CA.

- In the new financial year, the OAG expanded with two new Associates – both recent university graduates.

- Taking Improvement and Performance Seriously (T.I.P.S.).
- The T.I.P.S. Hotline - Online saw its third full year in operation; a review of this period will be presented in the coming weeks and published as the T.I.P.S. Hotline 2014 Annual Report.
- The T.I.P.S. Hotline - Online is used by HRM staff as well as members of the public and is located on our webpage at www.halifax.ca/auditorgeneral.

Auditor General

Office of the Auditor General Tips Hotline

The Taking Improvement & Performance Seriously (TIPS) Hotline has been established to capture and evaluate concerns or complaints related to potential inefficiencies (waste) or fraud (illegal/irregular behaviour) involving HRM resources. It is not intended to replace normal business processes already established by HRM or to address current or ongoing issues of an operational nature. These are handled within the mandates of individual business units.

Report concerns using the form below or by calling 902-490-1144.

* Indicates required fields.

Incident Information

| | | |
|--|----------------------|---|
| * Nature of Concern | * Incident Date | * Incident Time |
| <input type="text" value="Select a Type"/> | <input type="text"/> | <input type="radio"/> AM <input type="radio"/> PM |
| * Approximate Location | | |
| <input type="text"/> | | |
| 100 Characters | | |
| * Details | | |
| <input type="text"/> | | |
| 1000 Characters | | |
| Equipment/Tool/Vehicle involved (if applicable) | | |
| (ie. vehicle make, model, colour, licence plate number, ect) | | |
| <input type="text"/> | | |
| 500 Characters | | |
| * Person(s) believed to be involved | | |
| <input type="text"/> | | |
| 350 Characters | | |
| List other observers or witnesses of the incident(s) (if applicable) | | |
| <input type="text"/> | | |
| 350 Characters | | |

Summary of Projects

Completed for the period of
April 1, 2014
to
March 31, 2015

Project Summary

Table 1 - Summary of Projects Completed for the period April 1, 2014 to March 31, 2015

| Report Title | Release Date | Synopsis of Objectives | Recommendations |
|---|--|---|-----------------|
| Halifax Regional Municipality – A Performance Review of Employee Absence Leave ^o | April 2014 | To examine the trends, use and accumulation of leave time within HRM’s business units, Halifax Public Libraries and Halifax Regional Water Commission to understand the overall processes, applications and effectiveness of attendance management at HRM. | 20 |
| A Performance Review of HRM’s Equipment Fuel Program ^o | May 2014 | To assess if the HRM equipment fuel program ensures an efficient, effective and economic use of resources. | 30 |
| A Performance Review of Halifax Regional Fire & Emergency – Non-Emergency Fleet Vehicle Allocation Process ^o | September 2014 | To provide commentary with respect to the consistency and appropriateness of Halifax Regional Fire and Emergency (HRFE) non-emergency fleet vehicle allocations ensuring effective and economic use of HRM resources and identify areas for improvement. | 17 |
| Halifax Regional Municipality – A Performance Review of the Washmill Lake Court Extension Project ^o | April 2014/ Published January 2015 | To understand the processes and procedures utilized in the project to extend Washmill Lake Court and create an additional access point to the Bayers Lake Business Park (BLBP). Through this report, the goal of the OAG was to articulate the process(es) followed, the issues encountered, how they were addressed and to suggest areas for improvement. | 55 |
| Total | | | 122 |

Appreciation

- Our office would also like to acknowledge the continued support of the Audit and Finance Standing Committee and in particular the Chair, Councillor Bill Karsten and Vice Chairs of the Committee, Councillors Russell Walker and Linda Mosher as well as Mayor Mike Savage and the members of Regional Council.

Conclusion

- As we are fulfilling the legislative requirement by presenting the Annual Report today and because all reports have been public for some time now, I would respectfully ask any specific questions on reports or our processes to be directed to our office.

Thank you!