

**HALIFAX WATER – MANAGEMENT OF
DRINKING WATER SAFETY
&
MANAGEMENT OF SURPLUS BUILDINGS
AND LAND**

**PRESENTATION TO
AUDIT & FINANCE STANDING COMMITTEE**

NOVEMBER 15, 2017

WHO IS HERE TODAY

- Evangeline Colman-Sadd, CPA, CA
- Paul Flinn, CPA, CGA

AUDITS

Halifax Water – Management of Drinking Water Safety

- Processes to manage risks to provide safe drinking water

Management of Surplus Buildings and Land

- Are surplus buildings and land identified and managed to achieve value-for-money

OVERALL RESULTS

Halifax Water – Management of Drinking Water Safety

- Day-to-day: address water safety risks
- Opportunities to improve
- Clarify reporting to Nova Scotia Environment
- Monitor whether scheduled water samples were completed
- Long-term infrastructure projections need work

Recommendations

- Management agrees with all nine recommendations

OVERALL RESULTS

Surplus Buildings and Land

- Opportunities for improvement
 - Real Estate not coordinating regular review of buildings and land
 - Required by AO50
 - Information to Regional Council could be improved
 - Updates on ongoing costs and status

Recommendations

- Management has agreed to implement all eight recommendations

HALIFAX WATER – MANAGEMENT OF DRINKING WATER SAFETY

Risk assessments

- Assess day-to-day risk and security risk
 - Develop water quality programs
 - Exercise emergency procedures
 - Establish steering committees to oversee programs
- No utility-wide risk framework

Recommendation

- Develop a utility-wide risk framework

HALIFAX WATER – MANAGEMENT OF DRINKING WATER SAFETY

Infrastructure Needs

- Short-term capital needs – reasonable process
- Long-term – more work needed

Short-term (5 years)

- Internal experts assess
- Use external consultants
- Reasonable process
- Plans to ensure value-for-money

HALIFAX WATER – MANAGEMENT OF DRINKING WATER SAFETY

Long-term (30 years)

- Assumption based
- Information gaps identified by management
- Management reviewing processes to improve long-term projections
- No detailed plans

Recommendation

- Develop detailed plans with timelines

HALIFAX WATER – MANAGEMENT OF DRINKING WATER SAFETY

Water quality monitoring

- Two divisions collect water samples
 - Regulatory Services – regulatory requirements
 - Water Services – operational purposes

- Required to report results outside normal to Nova Scotia Environment
 - Water Services results not reported to Environment
 - 12 of 66 samples examined not reported
 - Action was taken to address underlying issue

Recommendation

- Clarify reporting requirements with Nova Scotia Environment

HALIFAX WATER – MANAGEMENT OF DRINKING WATER SAFETY

Scheduled water quality monitoring

- Assessed 30 scheduled samples, all were completed
- Identified missed samples through other work
 - Isolated
- Need to confirm scheduled samples are completed

Recommendation

- Compare all scheduled samples to recorded sample results

HALIFAX WATER – MANAGEMENT OF DRINKING WATER SAFETY

Compliance reporting to Nova Scotia Environment

- Compliance reports have large amounts of water quality data
- Manual process to create report
- No quality assurance checks
- Reports largely accurate, however some were missing information

Recommendation

- Independent staff member review to confirm reports are accurate

HALIFAX WATER – MANAGEMENT OF DRINKING WATER SAFETY

Automated alerts

- Computer-generated alerts when water sample results outside acceptable ranges
- Not effectively managed
- Errors in alert settings
- Did not affect alerts sent to Nova Scotia Environment
 - However, opportunity exists for issues

Recommendation

- Periodically review settings for all automated alerts

HALIFAX WATER – MANAGEMENT OF DRINKING WATER SAFETY

- Multiple staff members can edit alert settings
 - Four current employees had access that may not be required
 - Three former employees had access to the system
 - Web-based application
 - Former employees with access could still make changes
 - Access removed after we brought to management's attention

Recommendation

- Limit access to edit alert settings
- Review existing access and update as employees change jobs or leave

HALIFAX WATER – MANAGEMENT OF DRINKING WATER SAFETY

Nova Scotia Environment corrective actions

- Nova Scotia Environment issues corrective actions
 - Periodic inspections
 - Operating permits
 - Required for regulatory compliance
- Regulatory Services tracks most action items
 - Some tracked by other divisions

Recommendation

- Centrally track action items required by Nova Scotia Environment for regulatory compliance

SURPLUS BUILDINGS AND LAND

Real Estate division not complying with HRM policy

- Properties considered by request
- Some buildings and land may not get reviewed over several years

Recommendations

- Determine whether annual review is reasonable
- Comply with updated or current review process

SURPLUS BUILDINGS AND LAND

Information provided to Regional Council

- No regular updates on all surplus buildings and land
- Ongoing operating costs and status so Regional Council aware of costs or delays in disposal

Recommendation

- Regular information to Regional Council

SURPLUS BUILDINGS AND LAND

Business Unit review practices

- Business units good job reviewing buildings and land they are responsible for
- Once a unit does not need a building or land they remove it from their inventory

Committee reviews

- Some positive aspects
- Improvements: additional information

SURPLUS BUILDINGS AND LAND

Environmental Risk

- Better information on environmental risk needed for committees and Regional Council
- Could impact decisions on surplus properties

Recommendation

- Detail potential environmental risks in packages for committees and Regional Council

SURPLUS BUILDINGS AND LAND

Legal Reviews

- Not generally done when properties recommended to Regional Council as surplus
- Could help identify potential issues, avoid delays during disposal

Recommendation

- Legal review before asking Regional Council to approve as surplus

SURPLUS BUILDINGS AND LAND

Managing surplus properties

- Responsibility not clearly assigned
- Confusion around responsibility for decision-making and costs

Recommendation

- Assign responsibility for managing surplus properties

SURPLUS BUILDINGS AND LAND

Information on surplus properties scattered

- No central files
- Risks may not be communicated
- Some may not be aware of status

Recommendation

- Track detailed information in a central file

THANK YOU

- **Halifax Regional Municipality**
- **Halifax Water**
- **Office of the Auditor General staff**

QUESTIONS?