



P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 3**  
**Halifax Regional Council**  
**April 30, 2019**

**TO:** Mayor Savage and Members of Halifax Regional Council

Original Signed

**SUBMITTED BY:** \_\_\_\_\_  
Councillor Russell Walker, Chair, Audit & Finance Standing Committee

**DATE:** April 18, 2019

**SUBJECT:** 2018-19 Annual Report and 2019-20 Audit Priorities

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### **INFORMATION REPORT**

#### **ORIGIN**

April 17, 2019 meeting of Audit and Finance Standing Committee, Item No. 12.1.1.

#### **LEGISLATIVE AUTHORITY**

Audit and Finance Standing Committee Terms of Reference Section 6 which states:  
'Notwithstanding section 49 of the *HRM Charter* outlining the role, independence and reporting relationship of the Municipal Auditor General, the Audit and Finance Standing Committee shall act as a liaison and communication link between the Auditor General and the Council.'

#### **BACKGROUND/DISCUSSION**

The Auditor General presented their 2018-19 Annual Report and 2019-20 Audit Priorities to the Audit and Finance Standing Committee at its April 17, 2019 meeting. The Auditor General also provided and spoke to a peer review letter from the Deputy Auditor General of Nova Scotia pertaining to a post-release review of the Auditor General's performance audit report on Halifax Transit Bus Maintenance dated November 22, 2018. The Audit and Finance Standing Committee approved a motion to forward the report, letter and presentation to Halifax Regional Council as information.

For further information please refer to the attachments.

### **FINANCIAL IMPLICATIONS**

N/A

### **COMMUNITY ENGAGEMENT**

The Audit and Finance Standing Committee meetings are open to public attendance, a live webcast is provided of the meeting, and members of the public are invited to address the Committee for up to five minutes at the end of each meeting during the Public Participation portion of the meeting. The agenda, reports, minutes, and meeting video of the Audit and Finance Standing Committee are posted on Halifax.ca.

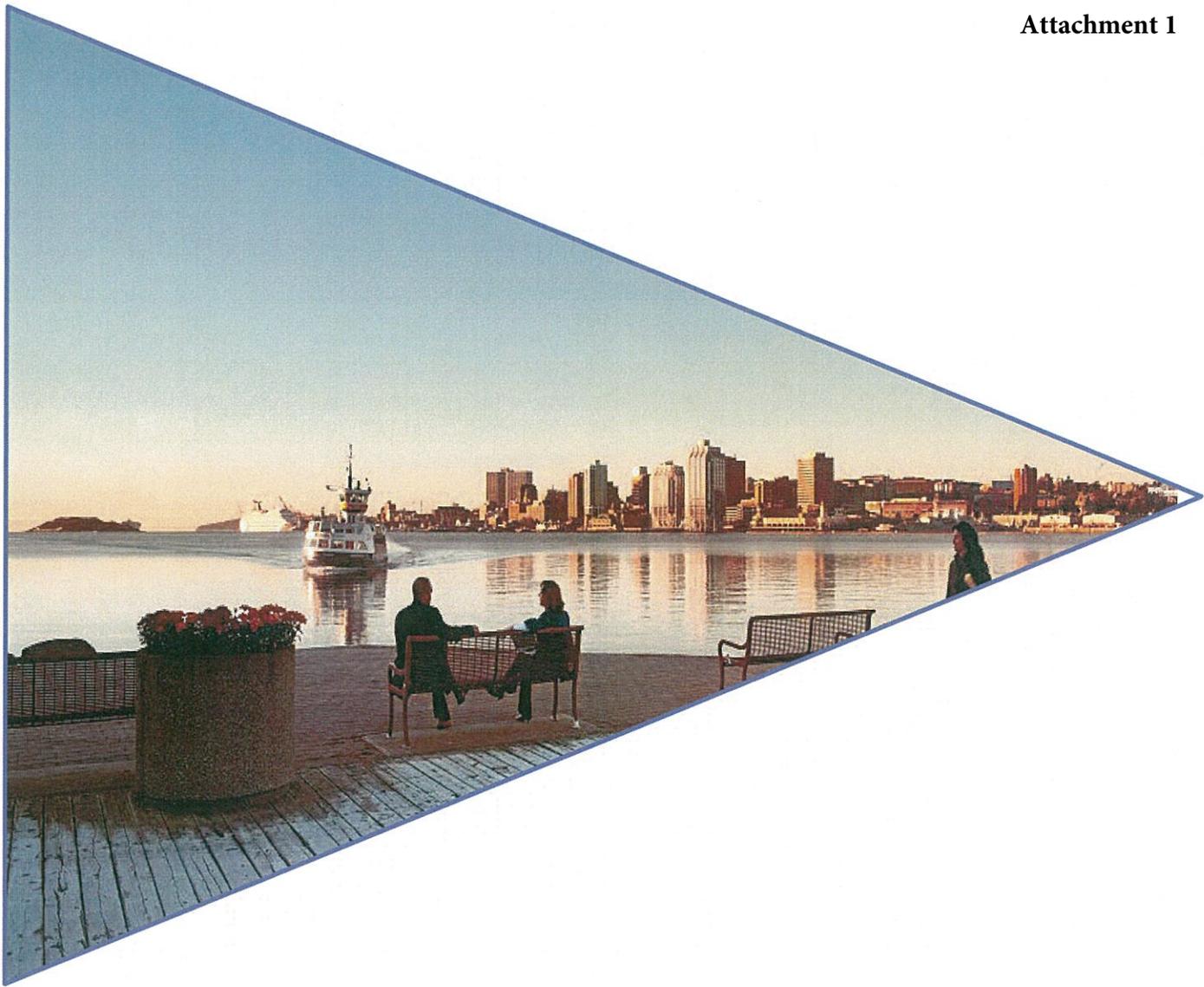
### **ATTACHMENTS**

1. 2018-19 Annual Report and 2019-20 Audit Priorities
  2. Peer review letter from Deputy Auditor General, Office of the Auditor General of Nova Scotia
  3. Presentation re: Auditor General's 2018-19 and 2019-20 Audit Priorities
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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Krista Vining, Legislative Assistant, Office of the Municipal Clerk, 902.490.6520

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# AUDITOR GENERAL

Halifax Regional Municipality



2018-19 Annual Report  
and  
2019-20 Audit Priorities

## About Our Office

- Halifax Regional Municipality Charter establishes Auditor General's role
- Auditor General is appointed by Regional Council
- Audit programs and accounts of municipality and municipal bodies
- Assist Halifax Regional Council in holding itself and administration accountable for the use of public funds
- 2019-20 budget: \$1.1 million, includes funding for ten full-time-equivalent staff
- Establish annual audit priorities based on our assessment of risks in various program areas
- Current Auditor General, Evangeline Colman-Sadd, began seven-year-term in October 2016

## What's New

Audit Reports Released	Audits In Progress	Peer Review Completed
<ul style="list-style-type: none"> <li>◆ Procurement</li> <li>◆ Police IT Update</li> <li>◆ Management of Development Approvals</li> <li>◆ Halifax Transit Bus Maintenance</li> <li>◆ Property Tax Management</li> </ul>	<ul style="list-style-type: none"> <li>◆ Purchasing Card Program</li> <li>◆ Payroll Management</li> <li>◆ Long Term Maintenance – Sidewalks and Roads</li> </ul>	<ul style="list-style-type: none"> <li>◆ Confirmed work met CPA Canada's assurance standards</li> </ul>

### Implemented New Website

<https://hrmauditorgeneral.ca>



### Our Values

#### Integrity

We value honesty and accountability, holding ourselves to high professional and ethical standards.

#### Objectivity

We are independent from management of the entities we audit and impartial in our assessments.

#### Collaboration

We work together to focus on the significant issues and make practical recommendations for improvement.

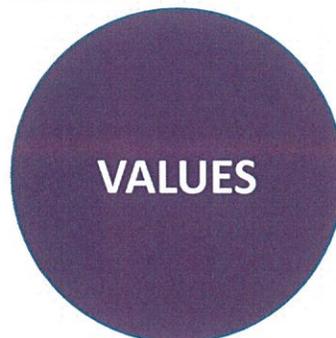
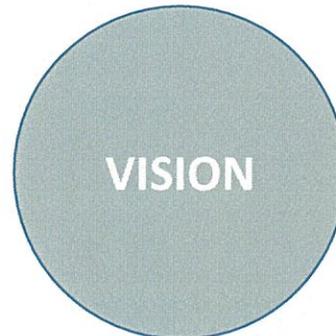
#### Excellence

We develop our knowledge and work to improve our processes.



### Our Mission

To deliver independent audits that strengthen accountability and encourage improved efficiency and effectiveness of programs



### Our Vision

A relevant, valued, independent audit office, known for professional excellence

## Strategic Goals 2018 – 2020

Continue to increase our relevance	
	Progress to Date
<p>Action taken as a result of our work</p> <ul style="list-style-type: none"> <li>Review and continuously improve our processes, including how we write recommendations</li> <li>Engage Audit and Finance Standing Committee in how it can help increase the number of recommendations implemented</li> <li>Follow up 18 months after an audit has been completed and report results of follow-up annually</li> </ul>	<p>Ongoing, discuss recommendations with management to help ensure they can be implemented</p> <p>Upcoming training session with Canadian Audit and Accountability Foundation</p> <p>To begin in 2019</p>
<p>Improve understanding of our work</p> <ul style="list-style-type: none"> <li>Create audit information booklet</li> <li>Engage management</li> <li>Engage Regional Council</li> </ul>	<p>Draft completed, to be released in first quarter of 2019-20</p> <p>Met with management on long-term audit planning</p> <p>Met with Councillors on long-term audit planning</p> <p>Invited Councillors to Canadian Audit and Accountability Foundation training session</p>
<p>Enhance readability of our audit reports</p> <ul style="list-style-type: none"> <li>Where possible, present information with infographics and charts, instead of long narratives</li> <li>Develop ability to drill into detailed information from summary pages on reports</li> </ul>	<p>Ongoing, introduced to some extent</p> <p>To be implemented quarter one 2019-20</p>

### Strategic Goals 2018 – 2020 (Continued)

Consider opportunities for audit efficiencies	
	Progress to Date
Expand our use of data analytics	
<ul style="list-style-type: none"> <li>• IDEA</li> <li>• Continuous auditing</li> </ul>	<p>Ongoing, used in four audits</p> <p>Not started</p>
Use TeamMate to assist with follow-up work	Not started, to be used for 2019 follow-up work

### Performance Information

Performance Measures	Target	2018-19
% staff hours on audit versus non-audit activities	85%	87%
% recommendations accepted and plan to implement	100%	100%
% recommendations implemented after 18 months	70%	To be reported 2019-20
% audits planned for year completed <sup>1</sup>	100%	83%

<sup>1</sup> Combined % planned for year completed and on time as these are similar. Completed means fieldwork was done but the audit report may not have been released before year end.

Certain audits required additional work and took longer than expected, which impacted our schedule. Additionally, the IT Roles and Access audit was deferred because HRM management was making substantial changes.

## 2019-20 Audit Priorities

Subject	Business Unit
HRM Website Redesign and Implementation	Finance, Asset Management & ICT
Capacity to Meet Long-term Capital Plans	Finance, Asset Management & ICT
Fleet Vehicle Use, Car Allowances, and Mileage	Corporate and Customer Services
Building Standards	Planning and Development
Halifax Regional Police IT	Halifax Regional Police
LED Street Lighting Initiative	Transportation & Public Works

### Contact Us

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Halifax, NS B3J 3A5

Twitter: Follow us [@HalifaxAG](https://twitter.com/HalifaxAG)

Website: <https://hrmauditorgeneral.ca>



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# Office of the Auditor General

Nova Scotia

**Evangeline Colman-Sadd, CPA, CA**  
**Auditor General – Halifax Regional Municipality**  
**Suite 620, 33 Alderney Drive**  
**Dartmouth, Nova Scotia**  
**B3J 3A5**

Dear Ms. Colman-Sadd,

Thank you for the request and opportunity to conduct a post-release review of your performance audit report on Halifax Transit Bus Maintenance dated November 22, 2018. Our objective was to issue an opinion on your office's compliance with related Canadian assurance standards published by the Chartered Professional Accountants of Canada (Canadian assurance standards).

Our opinion is intended to communicate to your office whether, based on the file reviewed and our professional judgment, the audit was carried out in compliance with Canadian assurance standards. Our opinion is not intended to be used for any other purpose or by any other party and is provided with the recognition that this review would be independent and unrelated to any professional practice review that may be conducted by the Chartered Professional Accountants of Nova Scotia.

In our opinion, the audit engagement examined was carried out, in all significant respects, in accordance with Canadian assurance standards.

We have shared our observations with staff from your office. These observations by no means affect the quality of the engagement examined, the work done, or the issuance of our opinion on compliance with Canadian assurance standards.

In conclusion, we would like to thank you and your staff for their close co-operation throughout this review.

Sincerely,

**Terry Spicer, CPA, CMA**  
**Deputy Auditor General**  
**Office of the Auditor General of Nova Scotia**





# AUDITOR GENERAL

Halifax Regional Municipality



2018-19 Annual Report

and

2019-20 Audit Priorities

# What's New

## Audit Reports Released

- ◆ Procurement
- ◆ Police IT Update
- ◆ Management of Development Approvals
- ◆ Halifax Transit Bus Maintenance
- ◆ Property Tax Management

## Audits In Progress

- ◆ Purchasing Card Program
- ◆ Payroll Management
- ◆ Long Term Maintenance – Sidewalks and Roads

## Peer Review Completed

- ◆ Confirmed work met CPA Canada's assurance standards

## Implemented New Website

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# Strategic Goals 2018-2020

## Continue to increase our relevance

Action taken as a result of our work

- Review and improve processes, including recommendations
- Engage Audit and Finance Standing Committee
- Follow-up 18 months after audit and report results

Improve understanding of our work

- Create audit information booklet
- Engage management
- Engage Regional Council

Enhance readability of our audit reports

- Infographics, charts, fewer long narratives
- More interactive reporting

## Consider opportunities for audit efficiencies

Expand our use of data analytics

- IDEA
- Continuous auditing

Use TeamMate to assist with follow-up work

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# 2019-20 Audit Priorities

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Building Standards	Planning and Development
Halifax Regional Police IT	Halifax Regional Police
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# Questions?