

AUDITOR GENERAL

Halifax Regional Municipality



Follow-up Review – 2018-19 Audits

Halifax Transit Bus Maintenance
Property Tax Management

November 2020

November 17, 2020

This **Follow-up Review – 2018-19 Audits**, completed under section 50(2) of the Halifax Regional Municipality Charter, is hereby submitted to the Audit and Finance Standing Committee of Regional Council.

Respectfully,

Original signed by

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Auditor General
Halifax Regional Municipality

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Follow-up Review – 2018-19 Audits

Halifax Transit Bus Maintenance Property Tax Management

15

Recommendations

2

Recommendations
outstanding

87%

Recommendations
completed

Halifax Transit Bus Maintenance

8 of 10
complete



Improvements:

- Developed preventative maintenance policy and asset management plan
- Established targets for bus maintenance key performance indicators
- Warranties recorded in fleet management system
- Established better inventory processes

Recommendations outstanding:

- Standard repair times for performance evaluation
- Small equipment inventory review



Property Tax Management

5 of 5
complete



Improvements:

- Property tax system user access
- Monitoring changes made in property tax system
- New property tax system – developed implementation timeline

Halifax Transit Bus Maintenance – November 2018

Implementation Status by Recommendation

Recommendation	Business Unit	Status
1. Halifax Transit should develop and implement a plan to complete preventative maintenance in a timely manner at both of its garage facilities. This could include establishing a kilometre range within which preventative maintenance should be completed.	Halifax Transit	✓
2. Halifax Transit should record all warranties in the fleet management system to help maximize warranty dollars claimed.	Halifax Transit	✓
3. Halifax Transit should establish targets for all bus maintenance key performance indicators. Targets should be based on accurate data and should assist management in assessing maintenance activities.	Halifax Transit	✓
4. Halifax Transit should develop and use standard repair times to evaluate performance for all significant maintenance tasks.	Halifax Transit	✗
5. Halifax Transit should move forward with developing a formal asset management strategy for buses, including a detailed project plan and timelines for completion.	Halifax Transit	✓
6. Halifax Transit should determine the value of small equipment and assess whether a process to track these items is worthwhile, considering cost versus benefit.	Halifax Transit	✗
7. Finance and Asset Management should establish and implement a process to investigate significant inventory count discrepancies.	Finance, Asset Management & ICT	✓
8. Finance and Asset Management supervisors should periodically review Halifax Transit inventory adjustments to confirm they are appropriate and were properly approved.	Finance, Asset Management & ICT	✓

Recommendation	Business Unit	Status
9. Finance and Asset Management should determine which roles require access to storerooms, to issue parts, and to make inventory adjustments. Access should be removed if it is not needed for an employee's role.	Finance, Asset Management & ICT	
10. Finance and Asset Management should establish timelines to finalize the pilot project and assess whether a parts warranty process is feasible.	Finance, Asset Management & ICT	

Property Tax Management – January 2019

Implementation Status by Recommendation

Recommendation	Business Unit	Status
1. Finance and Asset Management should confirm accuracy of data used in calculating taxes payable under tax agreements before issuing tax bills.	Finance, Asset Management & ICT	✓
2. Finance and Asset Management should review access to its property tax system and remove access if not required for an employee's current job duties.	Finance, Asset Management & ICT	✓
3. Finance and Asset Management, and Information, Communication and Technology should establish processes to grant access only to individuals who require it for their jobs and processes to remove access when employees change jobs in HRM or leave the Municipality.	Finance, Asset Management & ICT	✓
4. Finance and Asset Management should monitor changes to the property tax system. This should be done by management who cannot also make changes.	Finance, Asset Management & ICT	✓
5. Finance and Asset Management should develop a detailed plan, with dates, to implement the planned replacement property tax system. Any new system should be robust enough to prevent access by employees whose current job duties do not require it and close the gaps in the current system.	Finance, Asset Management & ICT	✓

Background

The Office of the Auditor General, Halifax Regional Municipality, follows up audits previously reported by the office after 18 months. These follow-up reviews report the progress management had made implementing changes recommended by the Auditor General.

Objective and Scope

We completed a follow-up review of two reports released in 2018/19.

- Halifax Transit Bus Maintenance
- Property Tax Management

Our objective was to provide review level, or limited assurance, on HRM management's implementation of recommendations from these reports. A limited assurance engagement provides a lower level of assurance than an audit. Conclusions are based on reasonability of what management tells us, and limited testing, rather than detailed testing, as would be found in an audit. This allows us to focus limited resources on new audits, while still providing assurance that management is addressing the issues we identified in past audits.

Our approach included discussing implementation with staff; reviewing policies, guidelines and processes; and other procedures we considered necessary.

This limited assurance engagement was conducted in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3001 Direct Engagements published by the Chartered Professional Accountants of Canada.

We apply CPA Canada's Canadian Standard on Quality Control 1. Our staff comply with the independence and ethical requirements of the Chartered Professional Accountants of Nova Scotia Code of Conduct.

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