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Item No. 5
Halifax Regional Council
March 21, 2023

TO: Mayor Savage Members of Halifax Regional Council

SUBMITTED BY: - Original Signed -
Councillor Paul Russell, Chair, Audit and Finance Standing Committee

DATE: February 27, 2023

SUBJECT: **Follow-up Review of 2020-2021 Audits**

INFORMATION REPORT

ORIGIN

February 23, 2023 meeting of Audit and Finance Standing Committee, Item 12.1.1.

LEGISLATIVE AUTHORITY

Administrative Order One, Respecting the Procedures of the Council Administrative Order, Schedule 2 Audit and Finance Standing Committee Terms of Reference:

1.
 - (1) The purpose of the Audit and Finance Standing Committee is to provide advice to the Council on matters relating to audit and finance.
 - (2) The other purposes of the Committee are to:
 - (a) fulfill the requirements as outlined in Section 48 of the HRM Charter; and
 - (b) assist the Council in meeting its responsibilities by ensuring the adequacy and effectiveness of financial reporting, risk management and internal controls.
6. 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 Audit and Finance Standing Committee received a report from the Auditor General dated February 23, 2023 to consider follow-up review of the 2020-2021 audits and passed a motion to forward the report to Halifax Regional Council for information.

For further information refer to the attached report dated February 23, 2023.

FINANCIAL IMPLICATIONS

N/A

RISK CONSIDERATION

N/A

COMMUNITY ENGAGEMENT

Meetings of the Audit and Finance Standing Committee are open to public attendance and members of the public are invited to address the Standing Committee for up to five (5) minutes during the Public Participation portion of the meeting. Meetings are live webcast on Halifax.ca. The agenda, reports, video, and minutes of the Standing Committee are posted on Halifax.ca.

For further information on Community Engagement refer to the attached staff report dated February 23, 2023.

ENVIRONMENTAL IMPLICATIONS

N/A

ALTERNATIVES

The Audit and Finance Standing Committee did not consider alternatives.

ATTACHMENTS

Attachment 1 – Auditor General report dated February 23, 2023.

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Annie Sherry, Legislative Assistant, Municipal Clerk's Office 902.943.8741

Attachment 1

AUDITOR GENERAL

Halifax Regional Municipality



Follow-up Review – 2020-21 Audits

Building Permits and Inspections
Halifax Regional Police Information Technology – Public

February 2023

February 13, 2023

This **Follow-up Review – 2020-21 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

Evangeline Colman-Sadd, CPA, CA
Auditor General
Halifax Regional Municipality

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FOLLOW-UP REVIEW – 2020-21 AUDITS

Building Permits and Inspections Audit

0%

Overall Recommendations
Completed

- All 3 recommendations remain outstanding
- Management agreed with recommendations at time of audit
- Uncertain whether management plans to publish service standards
 - Other cities publish this information
 - HRM citizens should have access to information to assess municipal services

Halifax Regional Police Information Technology Audit

92%

Overall Recommendations
Completed

- HRP IT had both public and in-camera recommendations
- Implementation rate is excellent
- Demonstrates a commitment to correcting known issues

Will follow-up outstanding recommendations in future



BUILDING PERMITS AND INSPECTIONS

0/3

Management needs to:



Confirm accuracy of permit
and inspection data



Publish service
standards for the public



Build staff capacity to
carry out complex tasks



HRP IT - PUBLIC

11/12

Management made improvements to:



Information reporting process



Staff security awareness training



Risk Management process



Information Asset Inventory

Management still needs improvements to:



Finalizing information
technology security policies

Auditor General Halifax Regional Municipality

February 2023

Building Permits and Inspections – September 2020

Implementation Status by Recommendation

Recommendation	Business Unit	Status
1. As Planning and Development implements the new building permit and inspection system, management should develop checks to confirm accurate data is entered.	Planning & Development	×
2. Planning and Development should develop measurable service standards for building plan review and inspection processes, and regularly monitor and report results. Service standards and results should be publicly available.	Planning & Development	×
3. Planning and Development should develop a formal mentoring plan and document how staff will obtain practical experience to perform their current role and more complex work.	Planning & Development	×

Halifax Regional Police Information Technology – Public – February 2021

Implementation Status by Recommendation

Recommendation	Business Unit	Status
1. Halifax Regional Police should implement a process to ensure only complete and accurate information on security of IT operations is provided to the Board of Police Commissioners.	Halifax Regional Police	✓
2. Halifax Regional Police should establish a reporting relationship between the Chief Information Security Officer and all staff with information technology security responsibilities.	Halifax Regional Police	✓
3. Halifax Regional Police should update its information security risk assessment and document whether the identified risks will be mitigated, and how.	Halifax Regional Police	✓
4. Halifax Regional Police should develop detailed plans for projects required to implement Halifax Regional Police’s information security management system.	Halifax Regional Police	✓
5. Halifax Regional Police should finalize and implement its draft information technology security policies. This should include detailed guidance on how the policies will be applied to Halifax Regional Police information technology operations.	Halifax Regional Police	✗
6. Halifax Regional Police should establish service-level agreements with IT service providers, including Halifax Regional Municipality’s Information, Communication, and Technology division, for Halifax Regional Police information technology systems and assets managed by Halifax Regional Municipality.	Halifax Regional Police	✓
7. When Halifax Regional Police finalizes its draft policies, it should include which levels of physical security are required throughout Halifax Regional Police facilities.	Halifax Regional Police	✓

Recommendation	Business Unit	Status
<p>8. Halifax Regional Police policies should address secure storage of information, including:</p> <ul style="list-style-type: none"> • secure data destruction when surplus or damaged equipment is disposed of; • requirement for security of removable media; and • protection and security of offsite equipment. 	Halifax Regional Police	✓
<p>9. Halifax Regional Police should update, and regularly maintain, its information technology asset lists.</p>	Halifax Regional Police	✓
<p>10. Halifax Regional Police should assess Halifax Regional Municipality Information, Communication, and Technology division policies for teleworking to determine whether they are adequate for Halifax Regional Police purposes. Any concerns identified should be addressed in Halifax Regional Police policies.</p>	Halifax Regional Police	✓
<p>11. Halifax Regional Police should provide its staff with regular information technology security awareness training, particularly given the sensitive nature of police operations.</p>	Halifax Regional Police	✓
<p>12. Halifax Regional Police should develop and implement operating procedures to maintain its systems, including patch management, change management, and backup.</p>	Halifax Regional Police	✓

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 2020-21.

- Building Permits and Inspections Audit
- Halifax Regional Police Information Technology Audit

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 Management 1. Our staff comply with the independence and ethical requirements of the Chartered Professional Accountants of Nova Scotia Code of Conduct.

Contact Information

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