



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

Item No. 8
Halifax Regional Council
February 6, 2024

TO: Mayor Savage Members of Halifax Regional Council

SUBMITTED BY: -ORIGINAL SIGNED-

Deputy Mayor Cathy Deagle Gammon, Vice Chair, Audit and Finance
Standing Committee

DATE: January 17, 2024

SUBJECT: Follow-up Review: 2021-22 Audits

INFORMATION REPORT

ORIGIN

January 17, 2024 meeting of Audit and Finance Standing Committee, Item 13.1.1.

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

Audit and Finance Standing Committee received a report and presentation from the Auditor General dated January 17, 2024 to consider the follow-up review of the 2021-22 audits.

For further information refer to the attached staff report dated January 17, 2024.

DISCUSSION

Audit and Finance Standing Committee considered the staff report dated January 17, 2024 and approved a motion to forward the report to Halifax Regional Council for information.

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 January 17, 2024.

ENVIRONMENTAL IMPLICATIONS

N/A

ALTERNATIVES

Audit and Finance Standing Committee did not provide alternatives.

ATTACHMENTS

Attachment 1 – Auditor General report dated January 17, 2024.

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: Dorothy Maponga, Legislative Assistant, Municipal Clerk's Office 902.478.2408

AUDITOR GENERAL

Halifax Regional Municipality



Follow-up Review – 2021-22 Audits

Management of the Fire Inspection Program Audit
Management of Solid Waste Operations Audit

January 2024

January 11, 2024

This ***Follow-up Review – 2021-22 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

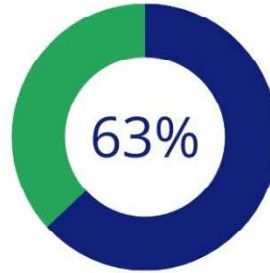
Andrew Atherton, CPA, CA
Auditor General
Halifax Regional Municipality

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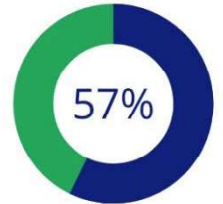
FOLLOW-UP REVIEW: 2021-22 AUDITS

- Management of the Fire Inspection Program Audit - 8 of 14 complete
- Management of Solid Waste Operations Audit - 2 of 2 complete



Overall
Recommendations
Completed

MANAGEMENT OF THE FIRE INSPECTION PROGRAM



MANAGEMENT

- HAS:
- Documented risks to Fire Prevention Division's operations
 - Established regular update process for inspectable building inventory
 - Established expectations for staff productivity and inspection documentation
 - Developed a list of dry hydrant needs and prioritized capital funding

MANAGEMENT NEEDS

- TO:
- Develop and implement detailed plans to meet fire inspection obligations
 - Implement a system of fire inspection, including how often buildings should be inspected
 - Update its fire inspection policies and procedures
 - Implement quality assurance process
 - Develop performance indicators and targets

Will follow up outstanding recommendations in future

MANAGEMENT OF SOLID WASTE OPERATIONS



MANAGEMENT

- HAS:
- Reviewed environmental reports prepared by consultants and documented results
 - Performed additional contract monitoring, including regular site visits of the Otter Lake facility

Auditor General Halifax Regional Municipality
January 2024

Management of the Fire Inspection Program Audit – September 2021

Implementation Status by Recommendation

| Recommendation | Business Unit | Status |
|---|-----------------------------------|--------|
| 1. Halifax Fire should develop and implement detailed plans, with timelines, to meet fire inspection obligations. | Halifax Regional Fire & Emergency | ✗ |
| 2. Halifax Fire should document and prioritize risks to the Fire Prevention Division’s operations and take steps to mitigate as appropriate. | Halifax Regional Fire & Emergency | ✓ |
| 3. Halifax Fire should develop and implement a system of fire inspections, including how often buildings should be inspected. Scheduling and monitoring processes should also be developed and implemented to ensure fire inspections are completed as planned. | Halifax Regional Fire & Emergency | ✗ |
| 4. Halifax Fire should establish a regular update process to ensure it has a current and accurate inventory of inspectable buildings. | Halifax Regional Fire & Emergency | ✓ |
| 5. Halifax Fire should work with People, Communications and Information Technology; and Planning and Development to determine how to transfer property data from HRM’s new permitting system to update Halifax Fire’s system. | Halifax Regional Fire & Emergency | ✓ |
| 6. Halifax Fire should issue orders-to-comply, where appropriate, and maintain key correspondence related to fire inspections, for an appropriate retention period. | Halifax Regional Fire & Emergency | ✓ |
| 7. When follow-up of limited-scope inspections must be escalated to fire inspection staff, Halifax Fire should determine and communicate follow-up timelines and monitor completion dates. | Halifax Regional Fire & Emergency | ✓ |

| Recommendation | Business Unit | Status |
|--|-----------------------------------|--------|
| 8. Halifax Fire should develop and implement a quality assurance process to monitor that fire inspections are properly completed and documented. This should include developing guidance to promote consistency across inspection staff, which should help facilitate the quality assurance process. | Halifax Regional Fire & Emergency | ✗ |
| 9. Halifax Fire should update its fire inspection policies and procedures and establish a regular review process to maintain them going forward. | Halifax Regional Fire & Emergency | ✗ |
| 10. Halifax Fire should establish expectations for fire inspection staff productivity and provide staff with guidance on how to prioritize inspections and other duties. | Halifax Regional Fire & Emergency | ✓ |
| 11. Halifax Fire should develop concrete plans, with timelines, for fire inspection staff to receive sufficient training in a timely manner. | Halifax Regional Fire & Emergency | ✗ |
| 12. Halifax Fire should develop performance indicators for the Fire Prevention Division, establish targets, and regularly monitor against them. | Halifax Regional Fire & Emergency | ✗ |
| 13. Halifax Fire should work with Planning and Development to address concerns regarding Halifax Fire’s involvement in planning applications. | Halifax Regional Fire & Emergency | ✓ |
| 14. Halifax Fire should develop a complete list of dry hydrant needs and determine how it will prioritize capital funding for these. | Halifax Regional Fire & Emergency | ✓ |

Management of Solid Waste Operations Audit – February 2022

Implementation Status by Recommendation

| Recommendation | Business Unit | Status |
|---|---------------|--------|
| 1. Transportation and Public Works should review all consultant reports assessing the environmental impact of composting and landfill facilities. Results of this review should be documented, along with any action taken to address significant issues. | Public Works | ✓ |
| 2. Transportation and Public Works should perform additional monitoring of the Otter Lake facility contract, including assessing the operator’s compliance with key contract terms and operating permit obligations; and carrying out regular site visits. Monitoring results should be documented. | Public Works | ✓ |

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 2021-22.

- Management of the Fire Inspection Program Audit
- Management of Solid Waste Operations 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

Office of the Auditor General
Halifax Regional Municipality
33 Alderney Drive, Suite 620
Dartmouth, NS, B2Y 2N4

Phone: 902 490 8407

Email: auditorgeneral@halifax.ca

Website: www.hrmauditorgeneral.ca

Twitter: [@Halifax AG](https://twitter.com/HalifaxAG)