



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

**Item No. 5**  
**Halifax Regional Council**  
**May 7, 2024**

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

**SUBMITTED BY:** Original Signed  
\_\_\_\_\_  
Councillor Paul Russell, Chair, Audit and Finance Standing Committee

**DATE:** April 17, 2024

**SUBJECT:** 2023-24 Annual Report and 2024-25 Audit Priorities

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**INFORMATION REPORT**

**ORIGIN**

April 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/DISCUSSION**

Audit and Finance Standing Committee received a report from the Auditor General dated April 17, 2024 to consider the 2023-24 annual report and 2024-25 audit priorities and approved a motion to forward the report to Halifax Regional Council as an information item.

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

### **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.

### **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications associated with this report.

### **ATTACHMENTS**

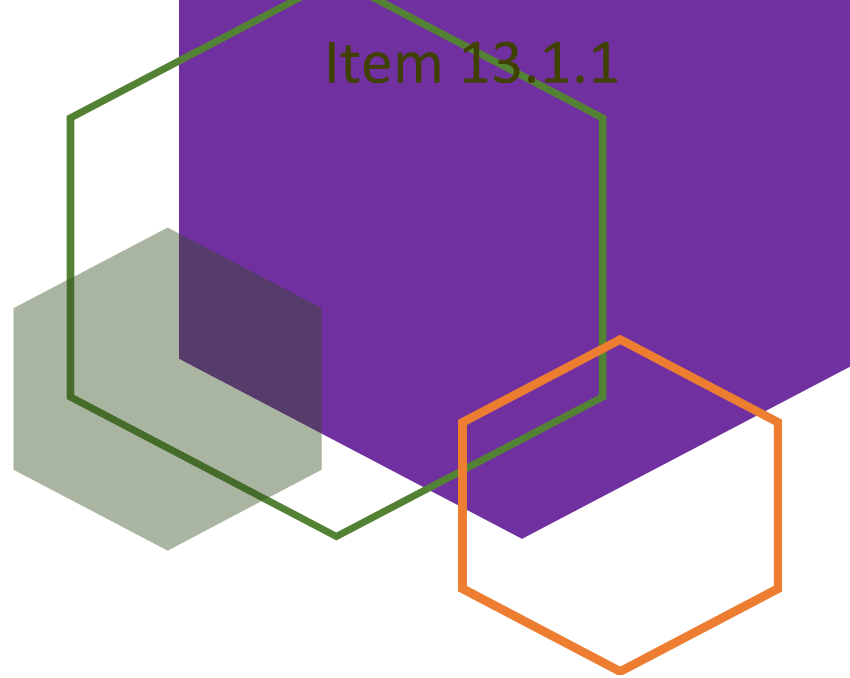
Attachment 1 – Auditor General report dated April 17, 2024.

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

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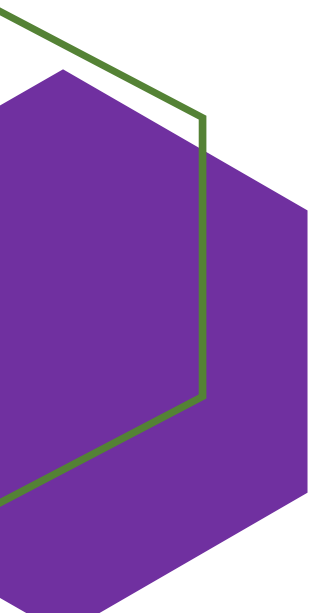


# AUDITOR GENERAL

Halifax Regional Municipality



## 2023-24 Annual Report and 2024-25 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
- Establish annual audit priorities based on our assessment of risks in various program areas
- Current Auditor General, Andrew Atherton, began seven-year-term in December 2023

### 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

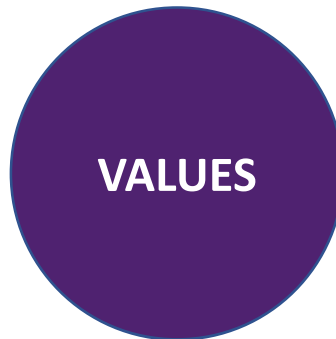
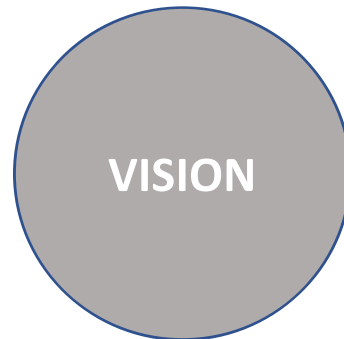
We work together to focus on the significant issues and make practical recommendations for improvement.

#### 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

## What's New

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### Reports Released

- HRM IT: Management of Cybersecurity Audit
- Management of Hiring Practices Audit
- Follow-up Review – 2021 Audits:
  - Management of Accounts Payable
  - Transit Technology Project Management
- Follow-up Review – 2021-22 Audits:
  - Management of the Fire Inspection Program
  - Management of Solid Waste Operations
- Follow-up Review – 2022 Audit:
  - Management of Respectful Workplaces
- Follow-up Review of Outstanding Recommendations – 2019 Audits:
  - Payroll Management
  - Road and Sidewalk Asset Management

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### Reports in Progress

- HRM Enterprise Risk Management Audit
- Management of Business Continuity Planning Audit
- Management of Diversity and Inclusion Audit
- Follow-up Review of Outstanding Recommendations – 2019-20 Audits:
  - LED Streetlight Conversion Project
  - Fleet Vehicle Use, Car Allowances and Mileage

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Completion of ongoing audits was delayed in 2023 while the search for a new Auditor General was completed.

## Performance Information

Performance Measures	Target	2023-24
% staff hours on audit versus non-audit activities	85%	83%
% recommendations accepted and plan to implement	100%	100%
% recommendations implemented after 18 months	80%	51%

The recommendation implementation rate for the past three years has been below 80% and the 2023-24 rate is barely above 50%. Of note are the recent results from our first follow up on recommendations from our audit of Respectful Workplaces. We found only 33% of recommendations were complete. The overall downward trend in implementation rates is of great concern to our office and requires the attention of management and Councillors within HRM.

The percentage of staff hours on audit activities was less than target due to a 3-month Auditor General vacancy.

## 2024-25 Planned Work

2024-25 Audit Priorities	
Subject	Business Unit
Capital Budgeting	Finance & Asset Management
Snow Removal Effectiveness and Compliance	Public Works
Parks & Recreation Program Planning	Parks & Recreation
Facility/ Infrastructure Management and Maintenance	Property, Fleet & Environment

## 2024-25 Follow-up Reviews

Our annual work includes following up recommendations from past audits. During 2024-25, we will follow up the following audits:

- Corporate Real Estate Development and Sale of Industrial Lands, Land and Building Acquisition and Disposal
- Halifax Water: SCADA System

In addition to these 18-month follow-up reviews, we will also follow up outstanding recommendations from the following 2020 and 2021 audits.

- Building Permits and Inspections
- Halifax Regional Police Information Technology

These audits and follow-up reviews will begin in 2024-25; however, some reports may not be issued until 2025-26.

## Contact Us

Telephone: 902.490.8407

X: Follow us [@HalifaxAG](#)

Email: [auditorgeneral@halifax.ca](mailto:auditorgeneral@halifax.ca)

Website: <https://hrmauditorgeneral.ca>

Fax: 902.490.8421

Mailing Address: 33 Alderney Drive, Suite 620  
Dartmouth, NS B2Y 2N4