

Item 13.1.1

# AUDITOR GENERAL

Halifax Regional Municipality



## Management of Business Continuity Audit

July 2024

**July 10, 2024**

The following audit of **Management of Business Continuity**, 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

## Table of Contents

Audit Overview .....	3
Audit Results.....	4
No Organization-level Effort to Ensure HRM is Prepared to Respond Effectively to Disruptions	4
Taking reactive approach; need to become proactive.....	4
Lack of direction to ensure adequate business continuity .....	6
Management responsibilities for business continuity plans understood .....	7
No business continuity policy or procedures .....	8
Governance committees not providing appropriate oversight .....	9
No organization-wide business continuity exercises conducted .....	10
Poor Business Continuity Planning in Many Business Units Tested.....	11
One business unit has no plan.....	11
Many business unit continuity plans outdated and incomplete.....	12
Two business units have reasonable plans .....	13
Business impact analysis mostly not done.....	14
Business units lack processes to exercise business continuity plans.....	16
Background.....	17
About the Audit.....	18
Appendix 1 – Recommendations and Management Responses.....	20
Contact Information .....	24

# Management of Business Continuity Audit

## BUSINESS CONTINUITY NOT A PRIORITY

Taking reactive approach; needs to be proactive

LACK OF OVERSIGHT BY COMMITTEES AND MANAGEMENT



No process to exercise plans to help ensure awareness and effectiveness



1 OF 6

Business units tested completed a business impact analysis

Many of the tested business unit's continuity plans inadequate



- 1 of 6 - No documented plan
- 3 of 6 - Significant issues
- 2 of 6 - Reasonable with minor improvements

## NO CORPORATE DIRECTION



No corporate business continuity plan



Municipal services not prioritized corporately



No policies or procedures



No training

Auditor General Halifax Regional Municipality

July 2024

## Audit Results

### No Organization-level Effort to Ensure HRM is Prepared to Respond Effectively to Disruptions

HRM management has not made business continuity a priority, leaving HRM unprepared for a significant disruption to its operations. There is no corporate business continuity plan and business unit plans are largely inadequate. While HRM may be able to respond and adapt when situations occur, without plans, there may not be sufficient information to make informed decisions. This increases the risk of service impacts that may not be acceptable or could have been avoided.

A significant factor leading to these issues is that Emergency Management and oversight committees are not providing appropriate oversight to ensure business continuity risks are managed. Although the Emergency Management division has primary responsibility for developing corporate plans and coordinating with business units on their own plans, a successful program requires the commitment and support of senior leaders, and those with oversight responsibilities.

#### ***Taking reactive approach; need to become proactive***

HRM has minimal documentation or plans to help manage a significant disruption to its operations. There is no corporate business continuity plan to guide the organization's response. Additionally, many of the business units we tested do not have adequate business continuity plans. Business unit plans are discussed in further detail later in this report. The 2017 Municipal Emergency Plan says the Emergency Management Organization Office will develop and maintain a corporate business continuity management plan that is based on the prioritized services that the municipality provides. However, this has not been done.

#### **Business Continuity**

•••

*“Capability of an organization to continue the delivery of products and services within acceptable time frames at predefined capacity during a disruption.”*

*(Source: Copied by Office of the Auditor General, HRM, with permission of the Standards Council of Canada (SCC) on behalf of ISO. The standard can be purchased from the national ISO member in your country or the ISO Store. Copyright remains with ISO.)*

Examples of disruptions: Cyber-attacks, pandemics, supply chain interruptions.

## Business Continuity Management per Emergency Plan

• • •

“...will be done at two levels in HRM: Corporate-wide and at the Business Unit Level. HRM will develop and maintain a corporate business continuity management [BCM] plan that is based on all of the services the municipality provides. The services... are categorized by their level of priority.... The business unit BCM plan details how the business unit will provide its own services to its clients in times of crisis.”

*(Source: Municipal Emergency Plan (2017))*

There is no corporately managed list of prioritized services that could be used to inform decisions, for example, deciding what takes priority when a disruption impacts multiple business units. Emergency Management told us developing a corporate business continuity plan will be added as a deliverable this year. However, there is currently no timeline for completion.

Having a planned corporate response, with prioritized services, is needed to allow senior management to anticipate the impact of key decisions while managing disruptions. It also is important to ensure business units can coordinate effectively. Coordination is important as business units support each other's services and need to ensure they have plans to adequately meet each other's needs.

### **Recommendation 1**

Community Safety management should develop and implement a corporate business continuity plan, including a corporate list of prioritized services.

### **Management Response**

*HRM accepts this recommendation. HRM Community Safety Business Unit, Emergency Management Division will develop and implement a corporate business continuity planning process, including a corporate list of prioritized services.*

*HRM recently completed an update of the Service Catalogue, a list of HRM services provided by each Business Unit. The new process will use the Service Catalogue as the foundation of Business Impact Assessments and the creation of Business Continuity Plans. Each Business Unit has a deliverable assigned to it in the Accountability Reporting Tracker (ART) (Prepare and/or update the Business Unit Business Continuity Plan/ Business Impact Assessment for the emergency functions assigned to the business unit and submit to the Municipal Emergency Planning Committee for approval) with a planned completion date of Q4 2024-2025. In addition, the Business Continuity Planning process will be an ongoing activity with regular reviews with the Emergency Management Division supporting Business Units in their development of the plans and will coordinate the plans into a Corporate Plan.*

**Lack of direction to ensure adequate business continuity**

Management is not providing direction to ensure business continuity plans are developed to prioritize municipal services and outline how they will be maintained in a disaster. The Municipal Emergency Management Planning Committee is not providing appropriate oversight to ensure there are processes to develop and maintain business continuity plans. Community Safety management told us the Emergency Management division is responsible for leading the program corporately, including developing a corporate business continuity plan and coordinating with business units on their own plans. A 2017 emergency plan outlined a business continuity management program to be implemented. The program has not been implemented but was intended to address:

- awareness education required on the program,
- the necessity for periodically testing and practicing it, and
- coordinating the program amongst all municipal business units.

Emergency Management established various goals related to business continuity. However, they were not achieved. The Director of Emergency Management identified having a draft HRM business continuity plan as a goal for the end of 2018. This has still not been done as of April 2024. A business continuity deliverable was included in Halifax Regional Fire & Emergency's (Halifax Fire) business plan each fiscal year from 2020-21 through 2022-23, when the Emergency Management division was part of Halifax Fire. It was rolled forward each year, but never completed. As part of a reorganization in April 2023, Emergency Management became a division under Community Safety.

Emergency Management told us business continuity is a priority. However, there are still no detailed plans and timelines to implement the business continuity management program.

The Municipal Emergency Management Planning Committee has had no discussions on the status of implementing a business continuity program. The Municipal Emergency Plan gives this committee responsibility for developing and maintaining the business continuity management program, along with the head of Emergency Management and Executive Standing Committee. We reviewed the available management committee meeting minutes from 2019 through 2023 and found there were only discussions in 2020 on pandemic specific continuity activities. We expected this committee to have regular discussions and direct corporate business continuity management program implementation as appropriate.

### **Management responsibilities for business continuity plans understood**

#### **Executive Standing Committee**

• • •

A committee of Regional Council, consisting of the Mayor, Deputy Mayor, and five appointed councillors.

#### **Municipal Emergency Management Planning Committee**

• • •

A management committee chaired by the CAO, consisting of certain HRM executive directors and the Director of Emergency Management.

Corporate responsibilities at the management level for business continuity are understood but poorly documented. As previously discussed, Community Safety management told us the Emergency Management division is responsible for coordinating business continuity corporately, in addition to oversight responsibilities held by the Executive Standing and Municipal Emergency Management Planning Committees. However, responsibilities have not been captured in job descriptions or clearly captured in mandate letters which set priorities for senior management. While it is positive that HRM top management assigned corporate responsibility, it is important they also formally communicate the importance of business continuity and hold management accountable for the results.

The business units we spoke with were aware they are responsible to create their own business continuity plans.

#### **Recommendation 2**

The Municipal Emergency Management Planning Committee should regularly monitor the status of HRM's business continuity management program and provide input and direction as appropriate.

#### **Management Response**

*HRM accepts this recommendation. The HRM Municipal Planning Committee will have a standing agenda item to monitor the status of the HRM corporate business continuity planning process and will provide input and direction as required. The monitoring will be included in regular updates to the Executive Standing Committee as part of the review of the program as per the motion below.*

*On June 18, 2024, Regional Council passed a motion related to the Halifax Regional Municipal Emergency Management Program Document Review, directing the CAO to implement the recommendations, which include development of business continuity plans, and provide a status report on the report's recommendation twice yearly to the Executive Standing Committee.*



### **Recommendation 3**

Community Safety management should develop and implement detailed plans and timelines to establish a business continuity management program.

#### **Management Response**

*HRM accepts this recommendation. Community Safety Business Unit, Emergency Management Division will develop and implement detailed plans and timelines to establish a business continuity management program. Initial planning is underway with a planned completion date of Q4 2024-2025 for Business Unit plans to be created for each Business Unit and an additional deliverable for Community Safety to bring together those plans into a corporate plan. Additional planning documentation related to review, training, testing, and exercise including timelines are needed. A plan will be documented by Community Safety within 3 months of this report.*

### **No business continuity policy or procedures**

There are no established policies or procedures that cover business continuity. These are important in achieving program goals, as they help to clarify roles and responsibilities and provide corporate direction to help ensure consistency and coordination among business units. For example, how to make the plans, how often plans should be exercised, who is responsible, who should be involved, and how often they should be reviewed and updated.

Business continuity training has not been offered to HRM management or staff. Emergency Management has not identified training needs for those responsible to develop business continuity plans and said they believe there are skill gaps. During the audit, Emergency Management circulated a business continuity plan template to business units. While the template addresses some key elements of business continuity and helps to ensure a consistent approach across the organization, without more information or guidance on how to complete the template, key information or steps may be missed.

As discussed later in our report, we found many of the six business units we tested have gaps in their business continuity programs. Having clear corporate expectations and guidance established, with training delivered, may help to ensure business units implement effective business continuity programs.

**Recommendation 4**

Community Safety management should develop, implement, and communicate business continuity policies and procedures, including plan development, review, testing and exercising, and training requirements.

**Management Response**

*HRM accepts this recommendation. See above #3.*

**Recommendation 5**

Community Safety management should develop and roll out guidance and training for business continuity for the organization.

**Management Response**

*HRM accepts this recommendation. See above #3.*

***Governance committees not providing appropriate oversight***

HRM management is not providing Regional Council’s Executive Standing Committee with information needed to exercise its duties. We noted there were no formal updates on business continuity or emergency plans provided to Executive Standing Committee (or to Regional Council), since the approval of the 2017 emergency plan. By-Law E-100 states the Municipal Emergency Management Planning Committee is responsible for advising the Executive Standing Committee on the development of emergency plans, which includes business continuity plans.

We expected management to provide the Executive Standing Committee with periodic updates on the program and for the Executive Standing Committee to request updates periodically if not receiving them. Although it is management’s responsibility to ensure business continuity plans are appropriately implemented, it is important oversight committees receive updates to hold management accountable.

### **Recommendation 6**

The Municipal Emergency Management Planning Committee should ensure HRM management provides periodic status updates on the business continuity program to Regional Council's Executive Standing Committee at specified intervals.

#### **Management Response**

*HRM accepts this recommendation. On June 18, 2024, Regional Council passed a motion directing the CAO to report on the status of the Halifax Regional Municipal Emergency Management Program Document Review. The status of the Business Continuity Plan Program will be included in this update to Executive Standing Committee.*

### **No organization-wide business continuity exercises conducted**

HRM does not exercise business continuity plans to test them and ensure management and staff are aware of their roles and responsibilities in the event of a disruption. There have been no corporate business continuity exercises. As discussed later in our report, none of the business units we tested had a process to ensure plans were exercised if not recently activated for real-life events.

Exercising business continuity plans at scheduled intervals is important to identify issues or lack of clarity with the plans and whether business unit plans work effectively with each other and key outside partners. Exercises are also important to help make sure management and staff are aware of the plans and understand what they are responsible for if the plan is activated.

### **Recommendation 7**

Community Safety management should develop and implement a corporate business continuity exercise program to ensure corporate and business unit business continuity plans are tested and/or exercised appropriately. This should include ensuring the right staff and management are involved in exercises and lessons learned are documented and incorporated into plans in a timely manner.

#### **Management Response**

*HRM accepts this recommendation. See above #3.*

## Poor Business Continuity Planning in Many Business Units Tested

We found many of the business units tested do not have adequate business continuity plans and are not following good practices, such as ensuring business continuity risks and needs are identified through an impact analysis and ensuring plans are reviewed at regular intervals. Without up-to-date business continuity plans, key roles and responsibilities and steps to maintain priority services are unclear.

### Business Unit Testing Results

Business Unit	Business Impact Analysis Performed	Documented Business Continuity Plans	Plans reviewed and updated
Halifax Regional Police	Yes	Yes	No
Public Works	No	Yes	Yes
Finance & Asset Management	No	Somewhat	Somewhat
Halifax Transit	No	Somewhat	No
Planning & Development	No	Somewhat	No
Halifax Regional Fire & Emergency	No	No	NA

### One business unit has no plan

One of six business units does not have a business continuity plan.

Halifax Regional Fire & Emergency does not have a plan but is currently drafting one. Halifax Fire management told us they manage their services day-to-day to ensure there are no unacceptable disruptions. Management has operational procedures, such as a process to recall staff if needed to maintain service in emergency situations, and memorandums of understanding with other jurisdictions for mutual aid. While these may help maintain services and respond to day-to-

### Business Continuity Management Program Purpose

•••

“Combined, corporate and individual strategies provide HRM priorities, guidance, and direction regarding how the department mitigates, prepares for, responds to and recovers from adverse events that threaten to disrupt normal business. ...This program provides guidance for the resumption and recovery of time sensitive business operations in accordance with established timeframes as well as ensuring that adequate plans are in place for the less time sensitive business operations.”

(Source: Municipal Emergency Management Plan (2017))

day disruptions, they do not address the risk of not having business continuity plans. These plans help ensure significant or prolonged disruptions are addressed so the organization knows how it would keep the important services running and at what levels.

***Many business unit continuity plans outdated and incomplete***

Three business units, Planning & Development, Halifax Transit, and Finance & Asset Management have plans that are severely outdated and often contain incomplete information.

Planning & Development's plan has not been revisited since 2020. The plan has an out-of-date list of key management, contains services that are no longer part of this business unit, does not address possible disruptions, such as IT failures, and management said the ranking of the listed services should be revisited.

Halifax Transit has a documented plan but if a disruption were to happen today, the plan would be of little use. We noted the plan does not consider significant parts of Halifax Transit's current operations. The existing plan is from fiscal 2016-17. Management started making updates in 2021 but these were not finalized and are now out of date. For instance, we noted that some members of management with responsibilities identified in the plan are no longer with the organization. There is a separate plan for labour disruptions that includes steps taken during the 2012 strike to keep certain Access-A-Bus services operating. While it may be a useful starting point if management anticipates a potential work stoppage, it contains outdated information such as management roles and contact information.

Finance & Asset Management has some business continuity plans but there are significant gaps. Services that are key to continuity of the organization, including procurement, payment, and payroll processing, have limited to no business continuity plans. We noted Finance & Asset Management have a recently prepared plan that has high-level comments on how payroll can continue paying employees if the payroll system is lost but does not consider other scenarios, such as losing access to HRM's network. Procurement, as part of an unrelated corporate activity, updated their list of services and activities in March 2024 and noted that none were covered in a business continuity plan. Procurement management told us they are taking steps to address this.

Both HRM's 311 contact centre and in-person customer service centres, which are each part of the Finance & Asset Management business unit, have documented business continuity plans. The plans are kept electronically in a shared folder and can also be accessed offline.

HRM's 311 contact centre management reviews and updates its plan for staff changes. The plan identifies key staff, whether they can work from home, and what they are cross trained in, which are all good practices. While it identifies key services, whether these services support other areas of HRM, and what services could be paused, it does not indicate how long services could be paused or what reduced service levels are acceptable during a disruption. HRM has contracted a

third-party call-answering vendor to take 311 calls after hours and handle overflow calls during significant events. Contact centre management indicated the contract also enables them to forward all 311 calls to the vendor if HRM's 311 contact centre experiences an unforeseen disruption. However, this is not addressed in the business continuity plan, and it is not clear whether service levels indicated in the contract would apply in this circumstance.

The in-person customer service centre's business continuity plan was reasonable, although we did note some minor administrative improvements.

### **Recommendation 8**

Community Safety management should provide oversight to ensure business units are developing and updating their plans.

#### **Management Response**

*HRM accepts this recommendation. The Community Safety Business Unit has been directed by the Chief Administrative Officer to provide oversight, support, and guidance to the creation of not only the Community Safety Business Unit Business Continuity Plan but also to coordinate all of the business unit plans into a Corporate Business Continuity Plan. This is referenced in the mandate letter from the CAO to the Executive Director of Community Safety in 2024-2025 and the ART as a Community Safety Deliverable (The Municipal Emergency Planning Committee will review for approval the municipal business units' Business Continuity Plans/ Business Impact Assessments for the emergency functions assigned to each business unit).*

### **Two business units have reasonable plans**

Halifax Regional Police (HRP) has a business continuity plan that was finalized in 2022. HRP management performed a business impact analysis before drafting the plan. Performing a business impact analysis to help develop the business continuity plan is a good practice. It helps to identify dependencies on suppliers and maximum timeframes services can be paused. However, HRP is not following its own processes to ensure its plan and related business impact analysis stay relevant and up to date.

HRP's business continuity plan states the plan and business impact analysis will be reviewed annually by a working group. However, management told us the business impact analysis is from 2016. We were told a staff member revisited it in 2018 and 2022 but a working group was not formed. Neither of these reviews were documented. Staff responsible for business continuity told us the intent is to revisit the business impact analysis every three to four years. However, this is not happening. While we understand many of the risks would still be applicable, it is important HRP revisit this analysis to ensure the impact of any changes to operations are reflected. The business impact analysis is discussed later in this report.

HRP staff told us the business continuity plan is updated as needed, such as for lessons learned from real-life events. However, there is no formal process to ensure lessons learned are evaluated and the plan updated as appropriate.

We also noted some minor administrative improvements HRP should make to ensure the business continuity plan is clear and can be accessed if the electronic copy is inaccessible.

Public Works has a documented business continuity plan and a process to review it to ensure it is kept up to date. An electronic copy is kept on a shared folder on HRM’s network. However, there was no offline copy available at the time of fieldwork that could be used if network access is lost. This has now been addressed. The plan covers important aspects of business continuity, such as classifying its services based on level of priority, identifying whether there is a reliance on a contractor to deliver these services, and determining whether each service can be suspended or must continue during a disruption.

However, Public Works has not completed a business impact analysis to formally assess how long services can be suspended, dependencies, such as IT systems used, other HRM departments the business unit needs to coordinate with, and contractors’ ability to deliver supplies or services during potential disruptions.

Public Works has recently flagged weaknesses related to regulatory requirements in some of their contractor’s contingency plans. Management told us they plan to address these in Fiscal 2024-25. While addressing these weaknesses will help with business continuity, Public Works should assess whether its contractors can meet its business continuity needs, outside of those related to regulatory requirements. A business impact analysis would help Public Works define its business continuity expectations and take steps to address any identified gaps with contractors or within HRM’s internal business continuity plans.

***Business impact analysis mostly not done***

Most business units have not completed a business impact analysis to determine their business continuity needs. Halifax Regional Police was the only business unit of the six we tested that completed one. However, management told us it was completed in 2016. A staff member told us they reviewed it in 2018 and 2022 but this was not a formalized review. It is important management revisit it periodically to ensure impacts of changes in operations and risks are assessed and planned for. A business impact analysis is important to help ensure dependencies

<p style="text-align: center;"><b>Business Impact Analysis</b></p> <p style="text-align: center;">• • •</p> <p>A formal analysis that is done to identify the impacts of potential disruptions to determine what the business continuity plan needs to cover.</p>
---

on suppliers or other business units are identified and considered in the plan. It also documents how long each service or activity can be paused before there are detrimental impacts.

In Spring 2020, Emergency Management led narrow-scoped business impact analyses to assess ongoing COVID impacts on HRM services. These analyses focused solely on COVID and were not used to assess impacts of other types of disruptions. Management told us there were no pre-existing business impact analysis or business continuity plans to use. This is a reactive approach.

The risks of a reactive approach include unnecessary or unacceptable service impacts while management is figuring out how to respond after an event occurs. It also increases the risk of focusing resources on less important services while not maintaining key ones. If management has not previously assessed the impact of potential disruptions, including determining how long HRM can go without key services and what resources are needed to maintain them to acceptable levels, management may make decisions without understanding their impact.

For example, if an event is short lived, HRM may be able to pause non-emergency services, but knowing how long such a pause is acceptable would help with decision making.

#### **Recommendation 9**

HRM management should ensure business units complete business impact analyses, including revisiting them at planned intervals or when there has been a significant change that may impact it.

#### **Management Response**

*HRM accepts this recommendation. See above #1 and #3.*

#### **Recommendation 10**

HRM management should ensure business units develop and implement documented business continuity plans that address risks and priorities identified in their business impact analysis. This should include revisiting them at planned intervals or when there has been a significant change that may impact the plan.

#### **Management Response**

*HRM accepts this recommendation. See above #1 and #3.*



***Business units lack processes to exercise business continuity plans***

None of the business units tested have a process to exercise their business continuity plans to test them and ensure management and staff are aware of their roles and responsibilities during a disruption.

In some cases, business units told us they do not feel there is a need to conduct exercises because they use aspects of their business continuity plans regularly for real-life disruptions. However, these business units do not have a formal process to identify lessons learned after disruptions. While it is reasonable that actual events would serve the same purpose as conducting an exercise, it is important to ensure lessons learned are identified, evaluated, and plans updated as needed. As part of this, management should identify whether aspects of the plan have not been activated and ensure these are exercised at scheduled intervals.

Exercising these plans for events outside of normal operations is important to ensure departments and external providers are on the same page to ensure a coordinated response.

Recommendation #7 in this report addresses developing and implementing a business continuity exercise program.

## Background

Business continuity focuses on ensuring the operation of prioritized services in the face of disruptions.

Business continuity involves:

- Identifying risks which can affect the continuity of operations;
- Assessing impacts of potential disruptions on services and using this to predetermine the maximum amount of time a service can be paused; and
- Creating plans and procedures that enable the organization to define and maintain minimum service levels during disruptions and resume operations.

HRM's Emergency Management division was part of Halifax Regional Fire & Emergency. However, the division moved to the Community Safety business unit when it was created in April 2023. Per HRM's 2024-25 business plan, the division *"...helps plan and coordinate multi-agency/multi-jurisdictional responses and the municipality's response to emergencies. This includes providing leadership and support to municipal business units and outside agencies in their preparations and readiness for a disaster or large-scale emergency."*

HRM's 2017 Emergency Management Plan states *"business continuity management will be done at two levels in HRM: Corporate-wide and at the Business Unit level."* It says a corporate plan will be maintained by the Emergency Management Organization (EMO) office and business units are to maintain their own plans in conjunction with the corporate plan.

The Emergency Management Plan states the EMO, which consists of Regional Council's Executive Standing Committee, the Municipal Emergency Management Planning Committee, and the head of Emergency Management, is responsible for maintaining a Municipal Business Continuity Management (BCM) Program, including:

- coordinating business continuity activities across business units;
- identifying and communicating details of the business continuity plan;
- providing awareness and education within HRM on the program and procedures;
- periodically testing the program and practice the activation and use of the program; and
- revise the program for changes within the organization, its services, or lessons learned from program testing.

The Information Technology business unit's responsibilities related to disaster recovery and business continuity were audited in our 2023 HRM IT Management of Cybersecurity Audit, thus these were excluded from the scope of this audit.

## About the Audit

We completed a performance audit of management of business continuity.

The purpose of the audit was to determine whether HRM has organization-wide and individual business unit level plans and processes to ensure it can continue to provide prioritized municipal services during disruptions. Our role is to express an independent audit opinion of this area.

The objectives of the audit were:

- To determine whether HRM management provides appropriate oversight to manage business continuity in HRM.
- To determine whether HRM has plans and processes which ensure the continued availability of prioritized services during disruptions.

We developed the criteria for this audit. These were discussed with, and accepted as appropriate by, management of Community Safety.

1. Governance committees are exercising their roles and responsibilities over business continuity as outlined in municipal by-laws.
2. HRM management should provide appropriate oversight to ensure business units have adequate business continuity plans which cover prioritized services, are in line with corporate level plans, and policies and procedures are being followed.
3. HRM should have a documented and up-to-date corporate level business continuity plan that outlines a coordinated response, covers prioritized services, addresses key elements of business continuity, and is compatible with business unit level plans.
4. Business units should have documented and up-to-date business continuity plans that cover their prioritized services and address key elements of business continuity.
5. Business continuity plans should be tested, regularly exercised, and updated.
6. A list of prioritized services should be maintained and consistent with business continuity plans.
7. Key roles and responsibilities related to business continuity should be defined and documented.
8. Management and staff with key business continuity responsibilities should receive appropriate training on their roles.

We used the ISO 22301: 2019 E Second Edition to assess and conclude on some of our criteria. We did not complete a compliance audit against this standard.

Our audit period was April 1, 2021 – December 31, 2023. Information outside the audit period was considered as necessary.

Our audit approach included: interviews with management and staff; review of corporate and business unit continuity plans; review of internal and external procedures; and examination of documents.

This audit 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.

## Appendix 1 – Recommendations and Management Responses

### **Recommendation 1**

Community Safety management should develop and implement a corporate business continuity plan, including a corporate list of prioritized services.

### **Management Response**

*HRM accepts this recommendation. HRM Community Safety Business Unit, Emergency Management Division will develop and implement a corporate business continuity planning process, including a corporate list of prioritized services.*

*HRM recently completed an update of the Service Catalogue, a list of HRM services provided by each Business Unit. The new process will use the Service Catalogue as the foundation of Business Impact Assessments and the creation of Business Continuity Plans. Each Business Unit has a deliverable assigned to it in the Accountability Reporting Tracker (ART) (Prepare and/or update the Business Unit Business Continuity Plan/ Business Impact Assessment for the emergency functions assigned to the business unit and submit to the Municipal Emergency Planning Committee for approval) with a planned completion date of Q4 2024-2025. In addition, the Business Continuity Planning process will be an ongoing activity with regular reviews with the Emergency Management Division supporting Business Units in their development of the plans and will coordinate the plans into a Corporate Plan.*

### **Recommendation 2**

The Municipal Emergency Management Planning Committee should regularly monitor the status of HRM's business continuity management program and provide input and direction as appropriate.

### **Management Response**

*HRM accepts this recommendation. The HRM Municipal Planning Committee will have a standing agenda item to monitor the status of the HRM corporate business continuity planning process and will provide input and direction as required. The monitoring will be included in regular updates to the Executive Standing Committee as part of the review of the program as per the motion below.*

*On June 18, 2024, Regional Council passed a motion related to the Halifax Regional Municipal Emergency Management Program Document Review, directing the CAO to implement the recommendations, which include development of business continuity plans, and provide a status report on the report's recommendation twice yearly to the Executive Standing Committee.*

### **Recommendation 3**

Community Safety management should develop and implement detailed plans and timelines to establish a business continuity management program.

#### **Management Response**

*HRM accepts this recommendation. Community Safety Business Unit, Emergency Management Division will develop and implement detailed plans and timelines to establish a business continuity management program. Initial planning is underway with a planned completion date of Q4 2024-2025 for Business Unit plans to be created for each Business Unit and an additional deliverable for Community Safety to bring together those plans into a corporate plan. Additional planning documentation related to review, training, testing, and exercise including timelines are needed. A plan will be documented by Community Safety within 3 months of this report.*

### **Recommendation 4**

Community Safety management should develop, implement, and communicate business continuity policies and procedures, including plan development, review, testing and exercising, and training requirements.

#### **Management Response**

*HRM accepts this recommendation. See above #3.*

### **Recommendation 5**

Community Safety management should develop and roll out guidance and training for business continuity for the organization.

#### **Management Response**

*HRM accepts this recommendation. See above #3.*

### **Recommendation 6**

The Municipal Emergency Management Planning Committee should ensure HRM management provides periodic status updates on the business continuity program to Regional Council's Executive Standing Committee at specified intervals.

### **Management Response**

*HRM accepts this recommendation. On June 18, 2024, Regional Council passed a motion directing the CAO to report on the status of the Halifax Regional Municipal Emergency Management Program Document Review. The status of the Business Continuity Plan Program will be included in this update to Executive Standing Committee.*

### **Recommendation 7**

Community Safety management should develop and implement a corporate business continuity exercise program to ensure corporate and business unit business continuity plans are tested and/or exercised appropriately. This should include ensuring the right staff and management are involved in exercises and lessons learned are documented and incorporated into plans in a timely manner.

### **Management Response**

*HRM accepts this recommendation. See above #3.*

### **Recommendation 8**

Community Safety management should provide oversight to ensure business units are developing and updating their plans.

### **Management Response**

*HRM accepts this recommendation. The Community Safety Business Unit has been directed by the Chief Administrative Officer to provide oversight, support, and guidance to the creation of not only the Community Safety Business Unit Business Continuity Plan but also to coordinate all of the business unit plans into a Corporate Business Continuity Plan. This is referenced in the mandate letter from the CAO to the Executive Director of Community Safety in 2024-2025 and the ART as a Community Safety Deliverable (The Municipal Emergency Planning Committee will review for approval the municipal business units' Business Continuity Plans/ Business Impact Assessments for the emergency functions assigned to each business unit).*

**Recommendation 9**

HRM management should ensure business units complete business impact analyses, including revisiting them at planned intervals or when there has been a significant change that may impact it.

**Management Response**

*HRM accepts this recommendation. See above #1 and #3.*

**Recommendation 10**

HRM management should ensure business units develop and implement documented business continuity plans that address risks and priorities identified in their business impact analysis. This should include revisiting them at planned intervals or when there has been a significant change that may impact the plan.

**Management Response**

*HRM accepts this recommendation. See above #1 and #3.*



## 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](mailto:auditorgeneral@halifax.ca)

Website: [www.hrmauditorgeneral.ca](http://www.hrmauditorgeneral.ca)

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