

Item 13.1.1

**AUDITOR GENERAL**  
Halifax Regional Municipality



Management of Business  
Continuity Audit &  
Enterprise Risk Management Audit

July 17, 2024



# Audits Overview

- Two Audits:
  - Management of Business Continuity
  - Enterprise Risk Management
- Similar main concerns
  - Better corporate direction required



# Business Continuity Definition

- 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.)*

# Management of Business Continuity – Overall Conclusions

- Business continuity not priority
- Taking reactive approach; needs to be proactive
  - Lack of oversight
  - Limited business impact analysis
  - Inadequate plans

# Detailed Results – No Corporate Direction

- No corporate business continuity plan
  - Municipal services not prioritized
- Failure to conduct business continuity exercises
- 2017 Emergency Management outlines a business continuity management program & established various goals
  - Has not been implemented, goals not achieved
  - No detailed plans or timelines for implementation

# No Corporate Direction

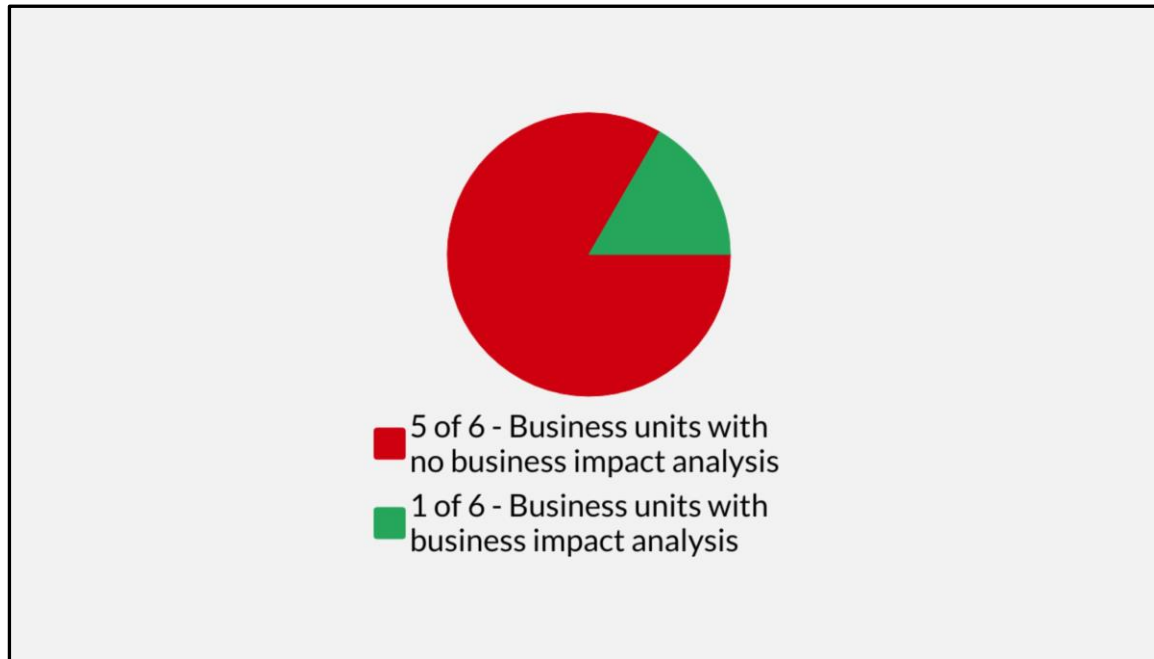
- Corporate responsibilities understood
  - Poorly documented
- No business continuity policy or procedures
  - Circulated business continuity plan template
    - More information and guidance needed
- No identified training needs

# Oversight Lacking

- Municipal Emergency Management Planning Committee not providing appropriate oversight
  - No discussions on status of business continuity program
- Governance committees not providing appropriate oversight
  - No formal updates provided to Executive Standing Committee

# Lack of Impact Analysis

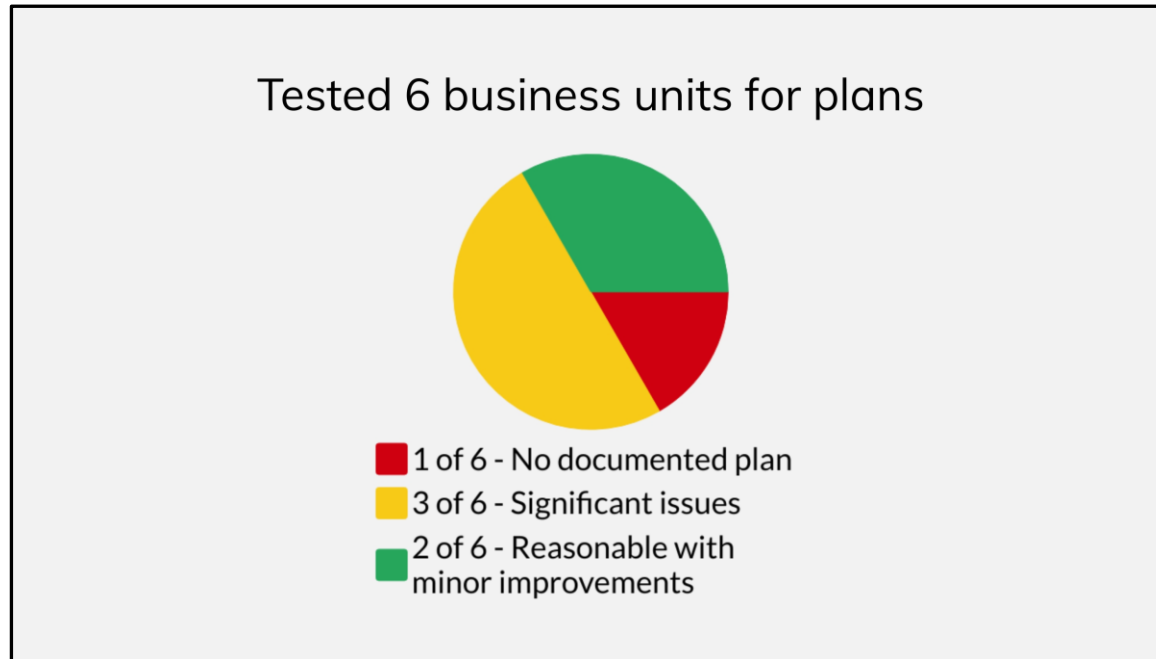
- Business impact analysis mostly not done





# Limited Planning

- Poor planning in many business units tested



# Wrap Up

10 Recommendations

All accepted by management

HRM to implement  
recommendations

Follow up in 18 months

# Enterprise Risk Management Audit

- Strategic (Enterprise) Risks

*“Risks arising from or related to long term strategic priorities. These risks must meet one or more of the following criteria: 1: The risk relates directly to one or more of the Priority Outcomes; 2: A risk that has significant impact on multiple operations if realized; 3: There are concerns over the adequacy of Business Unit arrangements for managing a specific risk.”*

- Operational Risks

*“Risks arising from or relating to the execution of day-to-day operations and service delivery.”*

*(Source: HRM’s ERM Framework)*

# Enterprise Risk Management Audit Overall Conclusions

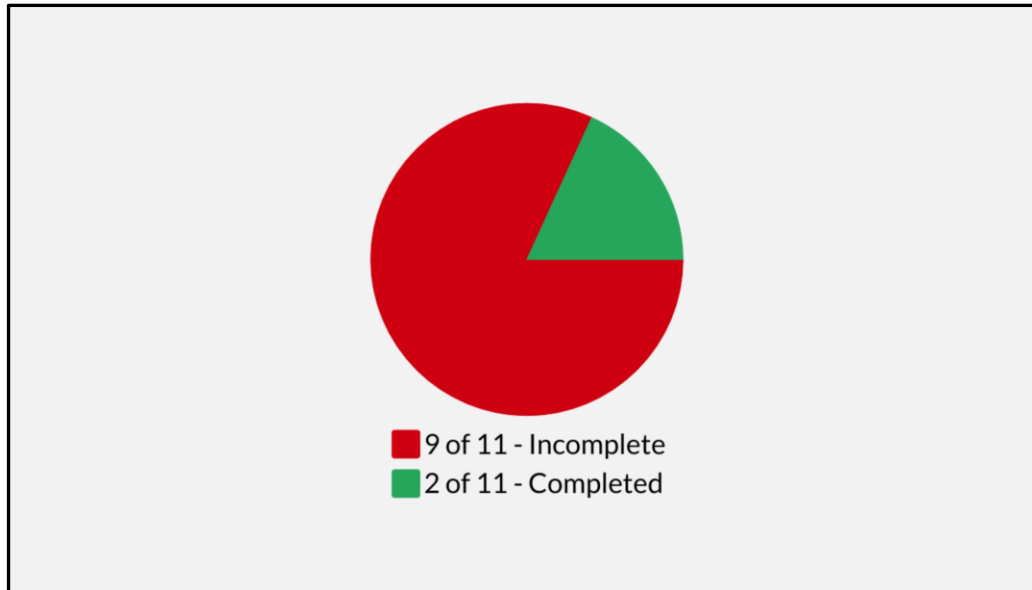
- Risk management not prioritized at a corporate level
  - Inadequate oversight of both enterprise and operations risk management
  - Gaps in ERM roles and responsibilities
  - Concerns with ERM framework
- Risk are identified – not well managed
- No risk management training offered

# Oversight – AFSC Role

- Framework defines your role
- Not getting enough detail to complete it
- Concerns with accuracy of some information received
- Up to you to ask the right questions

# Oversight – Corporate Direction

- Executive leadership team not covering required areas
- Risk and Insurance department needs to do more
- 2023 Corporate Planning conducted a process review



# Detailed Findings on ERM

- Risk Management Committee not in place
- 9 of 10 business units tested not using framework
- Framework needs some work
- Policies and procedures required
- **No** control owners identified
  - Treatment plans are necessary
  - Residual risk unknown

# Operational Risk Management

- Same overall concerns
- No treatment plans, don't know where things stand
- Inconsistent approaches to identify risks
- Needs corporate ownership and leadership



# No Training

- No training offered to staff or management
- AFSC should have access to training as well

# Wrap Up

14 Recommendations

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Questions?