

HRM's risk management practices have not been prioritized and need significant improvement, Auditor General, Andrew Atherton, said in his report released today, July 17, 2024.

The audit found inadequate oversight over HRM's enterprise risk and operational risk management programs. Regional Council, through its Audit and Finance Standing Committee, is responsible to oversee the programs, however HRM management has not provided sufficient information for the committee to evaluate the status of the programs. "The audit found issues that should have been known and shared with the Audit and Finance Standing Committee to help them discharge their oversight responsibility in this area" the auditor general said. In addition, a management committee meant to supervise the programs has not been formed, and the municipality's enterprise risk management framework intended to guide the program needs to be updated and supporting procedures developed.

The audit found weaknesses with how enterprise risks are identified, analyzed, treated, and monitored. "To be effective, enterprise risks need to be identified with business objectives in mind. How each risk is treated and how much risk you can live with should be established. Then active management and monitoring are needed to assess performance", said Atherton.

The audit also found significant problems in operational risk management processes similar to those at the enterprise level. Whereas enterprise risks impact the entire organization, operational risks are specific to each HRM business unit. Based on the results, the audit recommends that standardized and consistent processes be established for use in each business unit to help ensure the municipality's operational risks are appropriately identified and managed.

The auditor general's report includes 14 recommendations which HRM management agreed to implement.

The report is available on the auditor general's website at <https://hrmauditorgeneral.ca/published-reports>.

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FOR BROADCAST USE:

In his report released today, Auditor General Andrew Atherton said HRM's enterprise and operational risk management programs need significant improvement.

The audit found risk management oversight functions were either not established or were ineffective, risk management processes were poorly defined, and overall, management could not demonstrate in most cases that enterprise and operational risks were appropriately identified and managed.

The report includes 14 recommendations which HRM management agreed to implement.

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