AUDITOR GENERAL

Halifax Regional Municipality

Facility Management Audit

October 2026

October 14, 2026

The following audit of **Facility Management** 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

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Audit Overview

[INFOGRAPHIC IMAGE BELOW: This image depicts the overall result of this.

- Inadequate oversight of facility management

- HRM does not have overall facility management plan
    - Limited documented processes and procedures
    - Key Service Level Agreements exist but not monitored

- Data in systems incomplete and unreliable
    - HRM does not know current conditions of most facilities
    - No current listing of deferred maintenance
    - Poor capital projects handover process leaves holes in data
    - No department has accepted responsibility for data entry

- Issues with actual repairs and maintenance
    - 25% of equipment tested had missed preventative maintenance
    - Identified deficiencies not always corrected
    - Reactive maintenance mostly happening as scheduled]

FACILITY MANAGEMENT AUDIT

INADEQUATE OVERSIGHT OF FACILITY MANAGEMENT

HRM DOES NOT HAVE OVERALL FACILITY MANAGEMENT PLAN

- Limited documented processes and procedures
- Key Service Level Agreements exist but not monitored

DATA IN SYSTEMS INCOMPLETE AND UNRELIABLE

- HRM does not know current conditions of most facilities
- No current listing of deferred maintenance
- Poor capital projects handover process leaves holes in data
- No department has accepted responsibility for data entry

ISSUES WITH ACTUAL REPAIRS AND MAINTENANCE

- 25% of equipment tested had missed preventative maintenance
- Identified deficiencies not always corrected
- Reactive maintenance mostly happening as scheduled

AUDITOR GENERAL HALIFAX REGIONAL MUNICIPALITY

OCTOBER 2026

Audit Results

Facility Management Plan and Documented Processes Lacking

HRM buildings and related equipment are managed through reactive and preventative operational maintenance, and capital asset management practices. However, management lacks a formal facility management plan with clear strategies and an overall approach for the effective management of HRM buildings and related equipment, including documented processes and procedures to guide employees on how to ensure HRM facilities remain safe and functional throughout their lifecycle.

Lack of facility management plan

Property, Fleet & Environment does not have a documented facility management plan outlining strategies for the effective and efficient management of HRM buildings and related equipment. A facility management plan is important for providing direction to employees, ensuring the facilities are financially sustainable, assisting with safety regulation compliance, and assessing performance. As discussed throughout this report, we found significant issues that a documented and well-monitored plan could have helped address.

HRM's facility maintenance activities include both reactive and scheduled maintenance of building components along with periodic inspections. Without a structured plan, facilities are at a greater risk of unexpected disruptions that may result in costly repairs. However, management said having a plan for facility maintenance has not been possible due to resource constraints.

HRM's annual capital asset improvement activities also contribute to management of its facilities. In 2024, the Facility Design & Construction (FDC) department developed the HRM Facility Asset Management Policy (FAMP) to "establish a standardized and consistent approach to municipal asset management". Management said they began implementing this policy after the audit period. The policy includes important aspects of facility management like methodology for periodic building condition assessment, prioritization criteria for equipment replacement, and identified the Facility Condition Index (FCI) target as a performance indicator to evaluate the condition of the buildings.

However, the policy lacks clear objectives and does not cover all relevant aspects of facility asset management. For instance, it excludes operational maintenance, and deferred maintenance which forms a significant piece of capital asset management is not addressed. The facility condition index is the only performance target in the policy. Having other targets like the annual change in deferred maintenance backlog and the percentage of high risk deferred projects addressed annually would add value.

We expected a documented facility management plan that covers operational maintenance and capital facility management expectations for all HRM-owned facilities over their useful lives, that includes important areas such as:

- Clearly defined strategic objectives
- Asset inventory and condition assessment
- Well-defined levels of service
- Safety regulatory requirements
- Roles and responsibilities of all key parties
- Facility maintenance strategy
- Capital asset renewal strategy
- Deferred asset management plan
- Facility risk assessments

For each facility, management should know the operational maintenance and capital management plan over its useful life. This will help make informed asset maintenance and investment decisions, including efficient management of resources.

Recommendation 1

HRM should develop a facility management plan that covers all relevant aspects of facility management over the useful life of the facility.

Management Response

Agree. The Facility Asset Management Policy (developed outside of audit period) will be refined and expanded with accompanying procedures and roles and responsibilities.

The work will complement the Corporate Asset Management Policy - 2024-003-ADM.

Additional FTE being requested in 27/28 budget.

Implementation: Policy update Q2 27/28.

Limited documented facility management processes and procedures

HRM does not have adequate documented facility management processes and procedures guiding employees on how to perform and monitor facility maintenance and capital asset management responsibilities.

We found management did not have a consistent understanding of how certain aspects of facility management should be done or who is responsible for key tasks. Different departments within and outside Property, Fleet & Environment work together during the operational and capital facility management processes. However, aside from what is

defined in service level agreements for operational maintenance, there are no documented processes defining the key roles and responsibilities.

There are limited documented processes and procedures for capital project selection and execution. For the capital planning phase, management told us that projects are selected each year based on requests received from business units and multi-district facilities, along with suggestions from councillors. However, this process is not documented. In May 2025, after the audit period, a project phase checklist was developed which Management said is to guide project managers on how to execute projects. However, we noted the completion and handover sections have unclear requirements and responsibilities.

Project managers in the Facility, Design & Construction department are expected to complete a closeout checklist meant to help ensure project closeout tasks are completed and relevant documentation is handed over once an asset is in use. However, the checklist does not clearly state what information should be transferred to the maintenance team, the asset management office, or to the data management team, including timeline expectations. Without clear guidance of the capital project handover process, assets and their relevant details may not be recorded, which increases the risk of missed maintenance and poor future asset management planning.

In our testing, we found significant gaps in the project handover process. We also found no business unit has taken responsibility for recording building components in the HRM asset database. This impacted the completeness of facility management data discussed later in this report.

Similarly, there are no documented process and procedures guiding the facility operational maintenance process. There is no process guiding employees who inspect facilities on how to communicate results and ensure identified deficiencies are resolved. There is no process indicating the maintenance team's responsibility after a new facility or piece of equipment is handed over or when a building is demolished or sold. There is very high-level documentation on building service advisors' daily duties and another document that covers some aspects of work order management. However, these do not adequately guide maintenance employees on how to ensure all HRM-owned facilities are effectively and efficiently maintained and comply with safety regulations. A facility maintenance process is important to provide clear guidance to employees and ensure maintenance needs are identified and effectively addressed in a timely manner.

Recommendation 2

HRM should develop and implement operational maintenance and capital facility management processes with defined roles and responsibilities to guide all relevant parties in performing their work.

Management Response

Agree. The Facility Asset Management Policy (developed outside of audit period) will be refined and expanded with accompanying procedures and roles and responsibilities.

FDC & FMO have been working together since Q3 2023/24 to improve project communication & handover through work supported by Corporate Performance.

This effort will be expanded to ensure coverage with the recommendations of the audit.

Implementation: Process update Q4 27/28.

Service level agreements exist

Property, Fleet & Environment has facility maintenance service level agreements with key business units. These agreements include information needed to manage service delivery expectations, with defined roles and responsibilities of both parties. Response times and frequency of service delivery are also clearly indicated for emergency, reactive and planned maintenance services. For two business units, the agreements ended in 2020 and 2021 respectively, and draft agreements, developed since April 2024, have not been finalized. Management said the original agreements are still in effect pending finalization.

HRM Facility Management Data Not Reliable

We identified significant gaps in facility management systems used to record HRM's buildings and equipment and to manage equipment service maintenance requests and work orders. These gaps make appropriate management of HRM facilities and equipment more difficult.

Facility Management Systems

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Asset Registry
Asset management system that includes HRM facility data such as buildings, sheds, and associated equipment.

Facility Maintenance System
Used to manage maintenance service requests, work orders, and inspections.

Building Condition Assessment System
"A system that contains data collected for HRM assets through the Building Condition Assessment procedures." (Source: HRM FAMP)

HRM facility management systems datasets incomplete

We identified gaps in data in both the asset registry and the facility maintenance system. Our concerns included lack of complete equipment records, missing warranty information and a lack of clarity over who was responsible for maintenance. Without adequate data, there is a risk that not all facilities and equipment are being effectively and efficiently maintained. This could pose safety concerns and may result in noncompliance with regulations and guidelines.

Facility management records show that HRM owns 359 facilities and over 7,000 pieces of equipment. These are recorded in the HRM asset registry which is interfaced to the facility maintenance system. We determined that about two thirds of these facilities are maintained by the Facility Maintenance & Operations department while others are supposed to be maintained by other business units and third parties and therefore are outside the scope of our audit.

We found many of the records did not indicate the party responsible for maintenance. With effort, management was able to identify responsible parties for each of these facilities during the audit. This gap is consistent with the issues we identified throughout this audit around data integrity. Ensuring a complete listing of responsible parties would allow management to be less reliant on institutional memory.

Twenty-one pieces of equipment in the asset registry are not in the facility maintenance system, more than half of those are life-safety-related assets. We tested five of these assets and found some maintenance happened for all the equipment.

We identified incomplete data fields in the asset registry and facility maintenance systems which would be important for facility management:

- For 137 out of 359 properties, no year of construction was documented. This could impact maintenance and capital asset planning over the asset's lifecycle.
- Two HRM-owned buildings were classified as non-HRM facilities in the asset registry and the facility maintenance system. We confirmed that maintenance is happening in one of these building despite the classification error, but we cannot say if the remaining one is being maintained as management told us that Property, Fleet & Environment is not responsible for its maintenance.
- Certain equipment categories are grouped together in the asset registry and facility maintenance systems which makes it difficult for the maintenance team to identify and document which particular asset was worked on.

We also found the building condition assessment system is inaccurate. We found that 23 assessed facilities were omitted from the dataset and 14 facilities that had not been assessed were included. Management could not provide any reason for the inconsistencies.

Accurate and complete facility management data is important to support maintenance and capital planning decisions and help ensure facility needs are identified and addressed.

Recommendation 3

HRM should implement processes to ensure that all facility management systems have complete and accurate data.

Management Response

Agree. Procedures to be formalized. Additional FTE and consulting funds being requested in 27/28 budget.

Implementation: Process implementation Q4 27/28.

We found warranty information was not listed for more than 90% of pieces of equipment recorded in the asset registry and the facility maintenance system. Facility Maintenance & Operations management stated that the information is limited to the details provided when assets are handed over and that maintenance may have been performed on assets during the warranty period.

We reviewed six of the assets with warranty information documented in the system and found one instance where repair was performed for equipment under warranty, but not by the company providing the warranty. Three assets had no repair work done that would void the warranty. For the remaining two assets, while we found that repairs were performed for the assets during the recorded warranty period, management could not provide any support to show if the work was performed by the warranty vendor. Repairing items covered under warranty results in unnecessary costs and may void warranty coverage.

Warranties are intended to protect HRM from unexpected repair or replacement of the equipment it has purchased. Failing to record this information could lead to the municipality spending money on repairs they should not be responsible for.

Recommendation 4

HRM should implement processes to ensure that all existing and future warranties are accurately recorded in the facility management systems.

Management Response

Agree. Procedures to be formalized.

Implementation: Q4 27/28.

Although financial operations are outside the audit scope, we also identified concerns with the financial asset records. HRM's financial asset register included 17 buildings not owned by HRM and 42 buildings disposed during the audit period. Finance management said the status of the buildings was not communicated to them and that most have zero net book value. We expect the register to include reasonably accurate and complete data to avoid misstatement and noncompliance with accounting standards.

Many HRM Facilities Not Assessed; Deferred Maintenance List Lacking

Building condition not consistently assessed

HRM has not consistently assessed the condition of its facilities, and many facilities have never been assessed. HRM records show that 220 facilities were assessed as of October 31, 2025. However, we found that 96 HRM-owned buildings recorded in their systems have never been assessed. Of these, 43 are more than 25 years old.

Buildings Never Assessed

Construction Year	Number of Facilities
No construction year available	30
Before 2000	43
2000 to 2009	5
2010 to 2019	9
2020 to 2026	9
Total	**96**

Management said the last major building condition assessment was conducted in 2013 and that assessments were done as needed after that. We noted 91 buildings that have not been reassessed for over ten years. Of these, 68 are more than 25 years old.

Buildings Not Reassessed

Construction Year	Number of Facilities
No construction year available	11
Before 2000	68
2000 to 2009	6
2010 to 2013	6
Total	**91**

In the absence of detailed building condition assessments, significant building deficiencies may not be detected which may result in increased reactive maintenance, unexpected replacement costs and safety concerns.

We identified that building condition assessments were performed on five facilities not owned by HRM. For three of the five facilities, management said there is value in knowing the condition of facilities leased by HRM. However, it could be inefficient to prioritize assessing non-HRM-owned facilities over the municipality's properties.

The recently developed Facility Asset Management Policy mentions conducting building condition assessments on all existing HRM facilities over an eight-year period. Management said they plan to fast track this process and in June 2025 an external

consultant was engaged to assess the condition of 20% of the facilities annually over the next five years. We were told one year was completed in July 2026

Recommendation 5

HRM should ensure that building condition assessments continue as planned. In doing so, scheduling of assessments should consider risks associated with each facility and any new facilities should be included in future schedules.

Management Response

Agree. The Facility Asset Management Policy (developed outside of audit period) will be refined and expanded with accompanying procedures and roles and responsibilities.

Lack of deferred maintenance record; unclear capital project selection method

HRM does not maintain a current deferred maintenance record that accurately shows the extent of maintenance and renewal work due in each facility to ensure they remain safe and operational. Not knowing what is needed in each facility limits the efficient prioritization of maintenance and larger capital repairs or replacements. It also increases the risk of unexpected equipment failures and associated repair costs.

The building condition assessment system is not used as a capital facility management planning tool. Management said the system is intended to:

- Serve as a database of deferred maintenance
- Be a capital asset planning tool that shows how much annual spending is required to maintain the facility condition index (FCI)
- Show the recommended annual maintenance costs
- Show the recommended year of equipment replacement

Earlier in this report, we identified data quality issues in the assessment system, despite that, it is important that management begin to use this system to do more than just record information but to guide facility management decisions.

Property, Fleet & Environment did not consider condition assessment results when making capital facility management or operational facility maintenance decisions. The Facility Asset Management Policy mentioned earlier in this report includes parameters to be considered in capital project selection but excludes building condition assessment results.

Additionally, capital asset renewal projects are not selected using a formal prioritization process. While Property, Fleet & Environment has a 10-year capital plan, decisions about which capital projects to include are based on an informal project selection process. There was no clearly documented rationale for why certain capital projects were selected over

others during the audit period. Similar concerns were included in our June 2026 Capital Budgeting Audit.

An effective capital project selection and deferred maintenance program will help prioritize investments, appropriately plan maintenance, and avoid inefficient use of maintenance resources.

Recommendation 6

HRM should ensure that as building condition assessments are completed – see recommendation 5 – that the information collected is used to maintain a reliable deferred maintenance listing, which identifies facility maintenance needs.

Management Response

Agree. The Facility Asset Management Policy (developed outside of audit period) will be refined and expanded with accompanying procedures and roles and responsibilities.

Additional FTE being requested in 27/28 budget.

Recommendation 7

HRM should ensure that building condition assessment results are considered in decision making for both capital projects and operational maintenance, and the rationale for project selection are documented.

Management Response

Agree. The Facility Asset Management Policy (developed outside of audit period) will be refined and expanded with accompanying procedures and roles and responsibilities.

Building condition is one of several lenses to be applied in capital planning and rationale.

Additional FTE being requested in 27/28 budget.

Maintaining accurate data from building condition assessments should be considered in implementing Recommendation 3.

Gaps in Capital Project Management Activities

Significant gaps in the handover of capital projects

We found that handover of new facilities and equipment is not happening as expected. An effective handover process is important to help ensure building components are properly tracked, recorded, and maintained.

Completed capital projects, including a list of equipment, are not always handed over by the Facility Design & Construction department for asset data entry and facility maintenance. This gap is a contributing factor in the incomplete facility management data discussed earlier in the report. Incomplete datasets limit effective facility maintenance planning and performance.

We found four out of five completed projects we tested did not have the required handover checklist or a list of equipment. For the one project with equipment listed, half of the assets listed were not recorded in the asset registry and facility maintenance systems. Incomplete facility management data limits management's ability to make informed decisions and effectively and efficiently prioritize maintenance and capital improvements. Also, failure to record new equipment appropriately makes it very difficult to maintain it properly going forward.

We interviewed management from the Asset Management Office, Facility Design & Construction, Facility Maintenance & Operations, and Geographical Information Systems to understand the project handover and facility data entry processes. All had concerns with the handover process and most confirmed it was the major reason for incomplete system data. However, no one has accepted responsibility for updating these systems.

As earlier reported, clearly defined roles and responsibilities, and documented processes are lacking. Without these, along with adequate oversight, incomplete facility management data will remain a problem. All parties will not know what to do, who should do what, why it should be done, when and how.

The Facility Maintenance & Operations department had key deliverables in its 2023-24 to 2025-26 business plans to develop a data collection and entry accountability framework for the HRM asset registry and facility maintenance system, and to collect data for major HRM facilities. The framework has been developed, but almost all related action plans are not yet started, including data collection.

In 2024, Property, Fleet & Environment engaged HRM's Corporate Planning & Performance department to review the handover process. A report was provided, and capital and maintenance management have started meeting to discuss the recommendations. However, the recommendation tracking sheet was last updated in September 2025.

Roles and responsibilities for ensuring an effective handover process should be addressed in implementing Recommendation 2.

Inconsistencies in the capital project management process

We selected six facility renewal projects and 16 related subprojects from the 2023-24 and 2024-25 capital plans to see if the capital renewal process management outlined was followed. We found significant gaps that impacted the maintenance of facility assets and completeness of the facility and equipment data.

None of the six projects had project charters. Project charters are intended to define the project scope, roles, deliverables, and timelines. Seven subprojects were omitted from the project status tracker. No reasons were documented for not having project charters or for not tracking all the subprojects.

Five completed subprojects had no closeout checklist or equipment list to confirm that the projects were completed and handed over to the maintenance and asset management teams for entry into HRM's asset registry. This is consistent with our earlier concerns around the handover process.

Recommendation 8

HRM management should ensure necessary project charters are completed to define the scope, deliverables, timelines, and other relevant information.

Management Response

Agree. Project management procedures will be reviewed and compliance for charters ensured.

Gaps in Facility Maintenance Activities

We found many inconsistencies in how preventative maintenance is managed. Periodic preventative maintenance is not consistently scheduled or performed, and when the maintenance is performed, identified deficiencies are often either not corrected or there is lack of support for work done.

Preventative maintenance not consistently performed

Facility Maintenance & Operations do not always schedule preventative maintenance for equipment that should have it. We assessed maintenance activity on 40 pieces of equipment and found 30 had preventative maintenance scheduled, while 10 did not.

For 11 of the 30 pieces of equipment with scheduled maintenance, we found the maintenance did not always follow the frequency outlined in the service level agreement. There were instances where monthly maintenance was scheduled annually and quarterly maintenance scheduled bi-annually without justification.

Operational Maintenance

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Preventative Maintenance: "*A planned and controlled service of periodic inspection, adjustment, lubrication, and replacement of components, as well as performance testing and analysis."*

Normal *– "Unplanned maintenance of a nuisance nature, requiring lower levels of skill for correction with no or minimal impact on activities. These problems are usually identified and reported by facility owners."*

Emergency *– "Unscheduled work that requires immediate action to restore services, to remove problems that could interrupt activities, or to protect life and/or property."*

(Source: Service Level Agreement)

Ten of the 40 pieces of equipment had no preventative maintenance scheduled during the audit period. Eight of those should have had it based on the nature of the asset or previous maintenance strategy. For the remaining two, the service level agreement indicated that periodic maintenance should be scheduled if required. Management told us the decision not to schedule maintenance was based on judgement, but no rationale was documented.

We also identified four of the 40 pieces of equipment where the maintenance was not scheduled at the time the assets were added into the asset registry. Initial preventative maintenance for these four was eventually scheduled between two and four and half years later.

Missed or delayed maintenance and scheduling maintenance at incorrect intervals increases the likelihood of equipment failures and could impact the safe operation of facilities.

We also found an instance where maintenance activity was planned for an asset that did not exist because the maintenance team assumed the facility should have such equipment even though it was not in the system. In this case, an external contractor was sent to a facility to perform preventative maintenance on a sprinkler system that did not exist. Obviously, preventative maintenance should only be scheduled for equipment that exists, but as noted earlier, management does not have a complete picture of the equipment in the facilities.

Recommendation 9

HRM should ensure appropriate preventative maintenance is scheduled and completed for all facilities and associated equipment. When preventative maintenance schedules differ from manufacturers' recommendations, the rationale for these decisions should be documented.

Management Response

Agree. The Facility Asset Management Policy (developed outside of audit period) will be refined and expanded with accompanying procedures and roles and responsibilities.

Additional FTE being requested in 27/28 budget.

The planned preventative maintenance is not monitored to help ensure the scheduled maintenance frequency is set up and conducted according to the service level agreements. We found that errors in maintenance frequency are carried over and previously identified deficiencies remained until they are discovered, if at all.

Identified deficiencies not always repaired

We tested 70 preventative maintenance work orders. While deficiencies identified during the preventative maintenance inspections were repaired in 54 of the 70, we found that eight inspections had no support showing the work was completed and, in the remaining eight not all deficiencies identified were fixed. Failure to act on early warnings can transform minor inexpensive repairs to major costly capital improvements.

Most of the normal maintenance activities we tested were performed as expected. We found 77% (24/31) of the normal maintenance requests we tested had support showing necessary work was performed, while the remaining 23% (7/31) had no support to confirm

the repairs were completed. Repairs were done within the expected response time for 20 of the 24 completed repairs, while the remaining four exceeded the timeline.

Two of three emergency repairs tested were done within expected timelines. The remaining one, which should have been completed in 30 days, was instead done in about ten months. Staff said it took ten months because they forgot to inform the contractor to fix it. This shows a gap in oversight, a topic which is discussed later in this report.

Management told us that staff also perform monthly inspections on HRM-owned facilities to note the state of the facilities, identify deficiencies, and note for addition any asset components not recorded in the facility maintenance system. However, these responsibilities are not well monitored. Inspection staff did not consistently perform the monthly inspections, did not address all deficiencies, and did not always update the facility maintenance system to add missing assets.

We tested required inspections for 10 facilities and found no evidence to show two of the facilities were inspected. One had incomplete inspections and for the remaining seven facilities, we found that inspections were done but 8 of 16 deficiencies identified by staff were not addressed. We expect relevant inspection details to be noted in the work order management system or inspection report to aid future facility maintenance planning. Without this, identified deficiencies may be left unattended to.

An equipment addition form was created for staff to document and add to the system any additional assets identified during the monthly inspections. However, we found that this rarely happens as staff do not have real-time system access during inspections to know what equipment is missing. Management said they intend to provide staff with tools that can be used during inspections by the fall of 2026.

Recommendation 10

HRM should track identified deficiencies and implement procedures to ensure they are addressed within the expected response time for reactive repairs.

Management Response

Agree. The Facility Asset Management Policy (developed outside of audit period) will be refined and expanded with accompanying procedures and roles and responsibilities.

Additional FTE being requested in 27/28 budget.

Implementation: Process developed Q2 27/28.

Recommendation 11

HRM should implement procedures to ensure emergency work orders are addressed within the defined timelines.

Management Response

Agree. The Facility Asset Management Policy (developed outside of audit period) will be refined and expanded with accompanying procedures and roles and responsibilities.

Additional FTE being requested in 27/28 budget.

Implementation: Process developed Q2 27/28.

We found that internal maintenance staff do not always complete inspection reports for preventative maintenance. Five of the 18 maintenance work orders we tested had inspection reports while thirteen had no reports. Instead, staff had comments indicating work done in the facility maintenance system for ten of the 13 without reports, while there was no evidence of work done for the remaining three. As noted earlier, staff did not always repair identified deficiencies. Management is not checking whether staff completed inspections or addressed the identified deficiencies. We expect adequate oversight of the inspection process to help ensure work is completed as expected and the identified deficiencies are addressed.

Inadequate Oversight of Facility Management Activities

Property, Fleet & Environment did not adequately oversee the operational and capital facility management processes. We found some monitoring took place. However, the gaps noted through out this report provide clear evidence of poor oversight. Issues include:

- Lack of documented processes
- Lack of project charters
- Rationale for selected capital projects not documented
- Poor capital project handover process
- Incomplete data and no one taking responsibility for it
- Gaps in scheduling and completion of preventative maintenance
- Not repairing identified deficiencies
- Emergency repairs not completed within required timelines
- No assessment of performance against service level agreements

For capital projects, management have various meetings to help monitor projects, but these do not replace the need for proper project charters and appropriate handover processes discussed earlier in this report.

Management told us they periodically review and monitor the work order performance through the facility maintenance system dashboards, to identify backlog trends, work order volumes, completion rates, and service timelines. However, no support was provided. Additionally, without reasonably complete building data, the results will not be accurate enough to help management assess the performance of maintenance services.

Facility maintenance activities are not evaluated against documented service levels. The service level agreements include response times for when normal, emergency, and preventative maintenance work should be delivered, and annual review meetings are to be held between the parties to review service level performance. However, we found no review meetings were held and no evaluations took place.

Also, annual performance reports are to be made for senior management but there were no reports. In 2024, one business unit requested a report. However, it had not been provided as of August 2026.

Appropriate oversight and monitoring of all steps within the facility maintenance process are necessary to avoid unnecessary risks and expenses from failing equipment. From ensuring that planned maintenance is scheduled and happens appropriately, to ensuring that identified deficiencies are addressed, and emergency repairs occur, all these steps will help ensure HRM buildings and equipment are operating in as safe and economically efficient manner as possible.

Recommendation 12

HRM should develop, implement and document appropriate oversight processes to address the many gaps identified throughout this report.

Management Response

Agree. Will be addressed throughout responses to previous recommendations.

Background

The Facility Maintenance & Operations (FMO) and Facility Design & Construction (FDC) departments in the Property, Fleet & Environment business unit are responsible for facility maintenance and capital asset renewal services.

Facility Maintenance & Operations is responsible for supporting Regional Council priorities through the provision of well-maintained, clean, and safe facilities for employees and citizens achieved through preventative and lifecycle maintenance planning for assets, as well as the provision of security and maintenance services to more than 240 municipally owned and leased facilities.

Building Maintenance and Operations division in FMO is responsible for providing maintenance and operations services and project management expertise for municipally owned and leased buildings.

Facility Design & Construction is responsible for supporting business units by providing project management services to lead and/ or support the delivery of design, construction, demolition, inspection, condition assessment, and records management activities for municipal assets. FDC is responsible for delivering asset renewal projects, including capital improvements and replacement of HRM-owned facilities and buildings, as well as growth-related capital projects and energy-efficiency initiatives for municipal facilities.

About the Audit

We completed a performance audit of facility management. Our role is to express an independent audit opinion of this area.

The objective of the audit is to determine whether HRM effectively and efficiently manages its facilities and provides adequate oversight of the facility management processes.

We developed the criteria for this audit. These were discussed with, and accepted as appropriate by, management of Property, Fleet & Environment.

1. Facility management plan should be established, implemented and monitored.
2. Facility management processes and procedures should be clearly documented and communicated.
3. Facility management roles and responsibilities should be clearly defined and communicated to employees, and clients.
4. Facility management information systems should include complete data of HRM buildings and related assets.
5. Condition of facilities should be assessed.
6. Facility management tasks should be appropriately prioritized for timely management.
7. Facility management activities should be timely and consistent with policies, processes, and guidelines.
8. Facility management processes should be adequately monitored.
9. Service targets should be established, monitored and reported.

Our audit period was April 1, 2023 – March 31, 2025. Information from outside the audit period was considered, as necessary.

Our audit scope included: Management of HRM-owned facilities. This is limited to the review of facilities maintained by Building Maintenance and Operations division, and those managed by Facility Asset Renewal division. Newly constructed projects managed by facility growth division were only considered when reviewing the handover process.

Our audit approach included: interviews with management and staff in Property, Fleet & Environment, and other business units as necessary; examination of relevant documentation supporting the subject matter; and review of internal policies, procedures, plans and programs.

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

HRM should develop a facility management plan that covers all relevant aspects of facility management over the useful life of the facility.

Management Response

Agree. The Facility Asset Management Policy (developed outside of audit period) will be refined and expanded with accompanying procedures and roles and responsibilities.

The work will complement the Corporate Asset Management Policy - 2024-003-ADM.

Additional FTE being requested in 27/28 budget.

Implementation: Policy update Q2 27/28.

Recommendation 2

HRM should develop and implement operational maintenance and capital facility management processes with defined roles and responsibilities to guide all relevant parties in performing their work.

Management Response

Agree. The Facility Asset Management Policy (developed outside of audit period) will be refined and expanded with accompanying procedures and roles and responsibilities.

FDC & FMO have been working together since Q3 2023/24 to improve project communication & handover through work supported by Corporate Performance.

This effort will be expanded to ensure coverage with the recommendations of the audit.

Implementation: Process update Q4 27/28.

Recommendation 3

HRM should implement processes to ensure that all facility management systems have complete and accurate data.

Management Response

Agree. Procedures to be formalized. Additional FTE and consulting funds being requested in 27/28 budget.

Implementation: Process implementation Q4 27/28.

Recommendation 4

HRM should implement processes to ensure that all existing and future warranties are accurately recorded in the facility management systems.

Management Response

Agree. Procedures to be formalized.

Implementation: Q4 27/28.

Recommendation 5

HRM should ensure that building condition assessments continue as planned. In doing so, scheduling of assessments should consider risks associated with each facility and any new facilities should be included in future schedules.

Management Response

Agree. The Facility Asset Management Policy (developed outside of audit period) will be refined and expanded with accompanying procedures and roles and responsibilities.

Recommendation 6

HRM should ensure that as building condition assessments are completed – see recommendation 5 – that the information collected is used to maintain a reliable deferred maintenance listing, which identifies facility maintenance needs.

Management Response

Agree. The Facility Asset Management Policy (developed outside of audit period) will be refined and expanded with accompanying procedures and roles and responsibilities.

Additional FTE being requested in 27/28 budget.

Recommendation 7

HRM should ensure that building condition assessment results are considered in decision making for both capital projects and operational maintenance, and the rationale for project selection are documented.

Management Response

Agree. The Facility Asset Management Policy (developed outside of audit period) will be refined and expanded with accompanying procedures and roles and responsibilities.

Building condition is one of several lenses to be applied in capital planning and rationale.

Additional FTE being requested in 27/28 budget.

Recommendation 8

HRM management should ensure necessary project charters are completed to define the scope, deliverables, timelines, and other relevant information.

Management Response

Agree. Project management procedures will be reviewed and compliance for charters ensured.

Recommendation 9

HRM should ensure appropriate preventative maintenance is scheduled and completed for all facilities and associated equipment. When preventative maintenance schedules differ from manufacturers' recommendations, the rationale for these decisions should be documented.

Management Response

Agree. The Facility Asset Management Policy (developed outside of audit period) will be refined and expanded with accompanying procedures and roles and responsibilities.

Additional FTE being requested in 27/28 budget.

Recommendation 10

HRM should track identified deficiencies and implement procedures to ensure they are addressed within the expected response time for reactive repairs.

Management Response

Agree. The Facility Asset Management Policy (developed outside of audit period) will be refined and expanded with accompanying procedures and roles and responsibilities.

Additional FTE being requested in 27/28 budget.

Implementation: Process developed Q2 27/28.

Recommendation 11

HRM should implement procedures to ensure emergency work orders are addressed within the defined timelines.

Management Response

Agree. The Facility Asset Management Policy (developed outside of audit period) will be refined and expanded with accompanying procedures and roles and responsibilities.

Additional FTE being requested in 27/28 budget.

Implementation: Process developed Q2 27/28.

Recommendation 12

HRM should develop, implement and document appropriate oversight processes to address the many gaps identified throughout this report.

Management Response

Agree. Will be addressed throughout responses to previous recommendations.

Contact Information

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