

AUDITOR GENERAL

Halifax Regional Municipality



Follow-up Review – 2019-20 Audits

LED Streetlight Conversion Project
HRM's New Website Project
Fleet Vehicle Use, Car Allowances and Mileage

April 2022

April 12, 2022

This ***Follow-up Review – 2019-20 Audits***, 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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Auditor General
Halifax Regional Municipality

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Follow-up Review

2019-20 AUDITS

Overall Recommendations Completed – 64%

- LED Audit recommendations relate to significant capital projects
 - Both recommendations outstanding
 - Concerning given large capital projects HRM has underway
- Management told us outstanding Fleet, Vehicle Use and Mileage recommendations are in progress
- Will follow up outstanding recommendations in future

LED Streetlight Conversion Project

Management still needs to:

0/2

- Develop comprehensive risk assessment process for planning significant capital projects
- Develop policy related to significant capital project files

HRM's New Website Project

Improvements made:

1/1

- New parking tickets payment system – design and execution of user acceptance testing

Fleet Vehicle Use, Car Allowances and Mileage

Halifax Water

4/4

2/4

HRM

Improvements made:

- HW and HRM determined addressing historical, unreported taxable benefit – taking vehicles home while on call
- HW and HRM revised local travel policies
- HW monitors light-fleet vehicle utilization

Corporate Fleet management still needs to:

- Complete fleet rationalization project
- Monitor light-fleet vehicle utilization

Auditor General Halifax Regional Municipality

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LED Streetlight Conversion Project – November 2019

Implementation Status by Recommendation

| Recommendation | Business Unit | Status |
|--|------------------------------|--------|
| 1. HRM should develop a comprehensive risk assessment process for planning significant capital projects. | Finance and Asset Management | × |
| 2. HRM should develop a policy related to significant capital project files. This should include assigning overall project file responsibility and determining what documents to include in project records. | Finance and Asset Management | × |

HRM's New Website Project – January 2020

Implementation Status by Recommendation

| Recommendation | Business Unit | Status |
|--|------------------------|--------|
| 1. HRM should design and execute adequate testing plans for its new parking ticket payment system. | Information Technology | ✓ |

Fleet Vehicle Use, Car Allowances and Mileage – March 2020

Implementation Status by Recommendation

| Recommendation | Business Unit | Status |
|--|--|--------|
| 1. HRM’s Corporate and Customer Services should develop a detailed plan, with deadlines, and complete its fleet rationalization project. This should include updating the fleet-use policy, address monitoring of vehicle use, and clarify how disagreements between Corporate Fleet and fleet vehicle users will be settled. | Corporate & Customer Services | ✗ |
| 2. HRM’s Finance, Asset Management & Information, Communication, and Technology should clarify whether employees who take HRM-owned vehicles home while on call are receiving a taxable benefit under current Canada Revenue Agency requirements. If employees are found to have historical, unreported taxable benefits, HRM should determine how to address related unpaid income tax and Canada Pension Plan contributions. | Finance & Asset Management | ✓ |
| 3. Halifax Water should determine how to address historical, unreported taxable benefits and related unpaid income tax and Canada Pension Plan contributions. | Halifax Water | ✓ |
| 4. HRM’s Human Resources should update the local travel policy to require either selecting the most cost-effective option or documenting the business case for a more costly choice. | Human Resources & Corporate Communications | ✓ |
| 5. Halifax Water should update its travel policy to require selecting the most cost-effective option or documenting the business case for a more costly choice. | Halifax Water | ✓ |
| 6. HRM should monitor utilization of light-fleet vehicles, including checking for inappropriate use and developing utilization targets. | Corporate & Customer Services | ✗ |

| Recommendation | Business Unit | Status |
|---|---------------|--------|
| 7. Halifax Water should review its fleet of light-duty vehicles and determine whether there are opportunities to reduce the number of vehicles while still meeting operational needs. | Halifax Water | ✓ |
| 8. Halifax Water should monitor utilization of light-fleet vehicles, including developing utilization targets. | Halifax Water | ✓ |

Background

The Office of the Auditor General, Halifax Regional Municipality, follows up audits previously reported by the office after 18 months. These follow-up reviews report the progress management had made implementing changes recommended by the Auditor General.

Objective and Scope

We completed a follow-up review of three reports released in 2019-20.

- LED Streetlight Conversion Project
- HRM's New Website Project
- Fleet Vehicle Use, Car Allowances and Mileage

Our objective was to provide review level, or limited assurance, on HRM management's implementation of recommendations from these reports. A limited assurance engagement provides a lower level of assurance than an audit. Conclusions are based on reasonability of what management tells us, and limited testing, rather than detailed testing, as would be found in an audit. This allows us to focus limited resources on new audits, while still providing assurance that management is addressing the issues we identified in past audits.

Our approach included discussing implementation with staff; reviewing policies, guidelines and processes; and other procedures we considered necessary.

This limited assurance engagement 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 Control 1. Our staff comply with the independence and ethical requirements of the Chartered Professional Accountants of Nova Scotia Code of Conduct.

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