

AUDITOR GENERAL

Halifax Regional Municipality



Follow-up Review – 2021 Audits

Management of Accounts Payable
Transit Technology Project Management

August 2023

August 11, 2023

This **Follow-up Review – 2021 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

Evangeline Colman-Sadd, CPA, CA
Auditor General
Halifax Regional Municipality

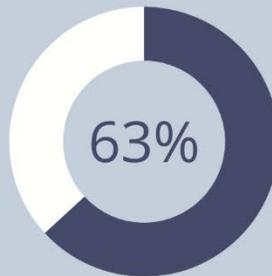
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Follow-up Review

2021 Audits

Overall recommendations completed



Will follow up outstanding recommendations in future

Management of Accounts Payable Audit 3 of 4 – 75%

Management has:

- Process to regularly monitor one-time vendor accounts
- Performed analysis to identify duplicate payments issued and recovered funds
- Process to regularly monitor and correct duplicate invoices

Management needs to:

- Develop targets for which Accounts Payable KPIs will be measured against

Transit Technology Project Management Audit 2 of 4 – 50%

Management has:

- Created individual project capital accounts for large projects
- Established timelines for outstanding project milestones

Management needs to:

- Have adequate support documentation for budget estimates
- Establish cost-benefit analysis process for use of internal or external project manager

Auditor General Halifax Regional Municipality
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Management of Accounts Payable Audit – April 2021

Implementation Status by Recommendation

Recommendation	Business Unit	Status
1. Finance, Asset Management, and Information, Communication and Technology should determine if using the one-time vendor account is worthwhile, considering whether the benefits outweigh the risks. If use of the one-time vendor account continues, management should document when the one-time vendor account can be used and regularly monitor this account.	Finance & Asset Management	✓
2. Finance, Asset Management, and Information, Communication and Technology should perform an analysis to identify duplicate payments issued and address outstanding duplicate payments.	Finance & Asset Management	✓
3. Finance, Asset Management, and Information, Communication and Technology should monitor for duplicate invoices and payments and take appropriate corrective action.	Finance & Asset Management	✓
4. Finance, Asset Management, and Information, Communication and Technology should develop accounts payable performance measures and targets and regularly monitor and report results.	Finance & Asset Management	✗

Transit Technology Project Management Audit – April 2021

Implementation Status by Recommendation

Recommendation	Business Unit	Status
1. Halifax Transit should develop Transit Technology project forecasts that support annual capital project budget requests and ensure overall Transit Technology program budget estimates have adequate supporting documentation.	Halifax Transit	✗
2. HRM should establish processes to track individual project capital accounts in its financial system for large, distinct projects.	Finance & Asset Management	✓
3. Halifax Transit should establish reasonable timelines for all outstanding Transit Technology project milestones.	Halifax Transit	✓
4. HRM should establish a cost-benefit analysis process that considers relevant costs and qualitative factors when deciding between internal and external project management resources for capital projects.	Finance & Asset Management	✗

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 two reports released in 2021.

- Management of Accounts Payable Audit
- Transit Technology Project Management Audit

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 Management 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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