

AUDITOR GENERAL

Halifax Regional Municipality



Follow-up Review of Outstanding Recommendations – 2017-2019 Audits

Halifax Water – Management of Drinking Water Safety
Management of Surplus Buildings and Land
Halifax Transit Bus Maintenance
Management of Development Approvals
Procurement

January 2023

January 11, 2023

This **Follow-up Review of Outstanding Recommendations – 2017-2019 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.

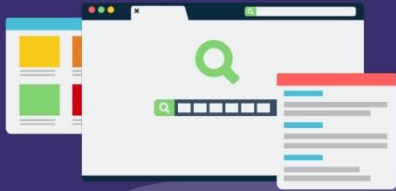
Respectfully,

Original signed by

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

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Follow-up Review of Outstanding Recommendations – 2017-2019 Audits

Overall Recommendations Completed



- 7 of 8 recommendations completed
- Outstanding recommendation relates to lack of lease or facility agreements with some outside groups for municipal-owned properties
- Initial follow-up carried out 2020
- Will follow-up outstanding recommendation in future

Management of Drinking Water Safety



– November 2017

- Improvements made to assessing long-term capital needs to replace water infrastructure

Management of Development Approvals



– July 2018

- Management developed and implemented file quality control checks

Management of Surplus Buildings and Land



– November 2017

- Management still needs to establish lease or facility agreements with all municipal-owned property occupants

Halifax Transit Bus Maintenance



– November 2018

- Improvements made:
 - Standard repair times developed and used to evaluate staff performance
 - Small equipment tracking policy established

Procurement



– May 2018

- Management made improvements to:
 - Reviewing duplicated vendors and blocking payments to vendors no longer needed
 - Reviewing electronic file access
 - Implementing file quality control checks

Auditor General Halifax Regional Municipality

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Halifax Water – Management of Drinking Water Safety Audit – November 2017

Implementation Status by Recommendation

| Recommendation | Business Unit | Status |
|---|---------------|--------|
| 2. Halifax Water should develop detailed plans with timelines to improve the information it uses to assess long-term capital needs to replace water infrastructure. | Halifax Water | ✓ |

Management of Surplus Buildings and Land Audit – November 2017

Implementation Status by Recommendation

| Recommendation | Business Unit | Status |
|--|-------------------------------|--------|
| 7. HRM should establish lease or facility agreements with outside groups occupying all municipal-owned properties. | Property, Fleet & Environment | ✗ |

Procurement Audit – May 2018

Implementation Status by Recommendation

| Recommendation | Business Unit | Status |
|--|----------------------------|--------|
| 4. Procurement and Accounting should review duplicated vendors and block payments to vendors that are not needed. | Finance & Asset Management | ✓ |
| 11. Procurement should implement quality control checks on its files. These should be done by a second person not involved in the procurement to ensure all necessary documents are on file. A checklist of required documentation at the front of each file would help ensure files are complete. | Finance & Asset Management | ✓ |
| 26. Access to physical and electronic files should be changed as employees move within the organization or leave HRM. | Finance & Asset Management | ✓ |

Management of Development Approvals Audit – July 2018

Implementation Status by Recommendation

| Recommendation | Business Unit | Status |
|--|------------------------|--------|
| 5. Planning and Development should develop and implement quality control checks on its files. These should be done by a second person not involved with the file to confirm all necessary documents are on file and stored where they can be accessed by staff when needed. A file checklist at the front of each file would help ensure completion. | Planning & Development | ✓ |

Halifax Transit Bus Maintenance Audit – November 2018

Implementation Status by Recommendation

| Recommendation | Business Unit | Status |
|--|-----------------|--------|
| 4. Halifax Transit should develop and use standard repair times to evaluate performance for all significant maintenance tasks. | Halifax Transit | ✓ |
| 6. Halifax Transit should determine the value of small equipment and assess whether a process to track these items is worthwhile, considering cost versus benefit. | Halifax Transit | ✓ |

Background

The Office of the Auditor General, Halifax Regional Municipality, follows up on audits previously reported by the office after 18 months. We have established an additional process to follow up on outstanding audit recommendations from the initial follow-up after 18 months. These follow-up reviews report the progress management had made in implementing pending changes recommended by the Auditor General when the initial follow-up was carried out.

Objective and Scope

We completed the review of the outstanding recommendations from the 2020 follow-up audits. The audit reports followed up were released between 2017 – 2019.

- Halifax Water – Management of Drinking Water Safety
- Management of Surplus Building and Lands
- Halifax Transit Bus Maintenance
- Management of Development Approvals
- Procurement

Our objective was to provide review level, or limited assurance, on HRM management's implementation of the pending recommendations from the initial follow-up report. 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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