

BACKGROUND

- 9.1** The Province of Nova Scotia is responsible for the legislative framework in which Nova Scotia municipalities operate. Provincial legislation includes the Assessment Act, Municipal Elections Act, Municipal Grants Act and Municipal Government Act. The Municipal Services Division of the Department of Service Nova Scotia and Municipal Relations (SNSMR) manages the Province's relationship with municipalities. The Division provides a wide range of service and support to 55 municipal governments, comprising 3 regional municipalities, 21 rural municipalities and 31 towns. It also provides services to 22 incorporated villages within the Province. The Division's net expenditure for 2003-04 was \$43.9 million, comprised of \$41.8 million for grants and \$2.1 million for salaries and administrative expenses.
- 9.2** Municipal Services Division is responsible for providing advice to municipalities in the areas of financial administration and management, infrastructure and engineering, and land use planning. In addition, staff of the Division provide policy and program support on matters of Provincial-municipal interest, including environmental and resource planning concerns, and structural issues related to communities and local government in Nova Scotia.
- 9.3** The Municipal Services Division also administers a number of programs which provide funding to municipalities. These include equalization grants, grants-in-lieu of taxes, farmland grants, a Provincial capital assistance program, a community accessibility program, a community transportation assistance program and the Province's participation in the Canada-Nova Scotia Infrastructure Program.
- 9.4** In 2003-04 municipal grants totaled \$68.1 million; \$31.1 million for equalization grants, \$8.2 million for grants-in-lieu of taxes for Provincial property, \$24.5 million for infrastructure grants, and \$4.3 million for various other grant programs. The costs of grants were reduced by \$12.6 million received from Nova Scotia Power Inc. for payments to municipalities based on the equalization formula, and \$13.7 million from the Federal government for the Canada-Nova Scotia Infrastructure Program. (Exhibit 9.1)

RESULTS IN BRIEF

- 9.5** The following are our principal observations from this audit.
- Municipal Services Division has appropriate control over municipal grants.
 - The Division complies with Provincial legislation.

- The Division has appropriate systems to monitor municipal operations, to the extent required by Provincial legislation, but does not publish performance and statistical information for municipalities on a timely basis.
- Certain amounts paid to municipalities from funds received from Nova Scotia Power Inc. are recorded in the accounts of a government department other than Service Nova Scotia and Municipal Relations.

AUDIT SCOPE

- 9.6** In September 2004 we completed a broad scope audit of the Municipal Services Division of the Department of Service Nova Scotia and Municipal Relations. The audit was conducted in accordance with Section 8 of the Auditor General Act and auditing standards established by the Canadian Institute of Chartered Accountants, and accordingly included all tests and other procedures we considered necessary in the circumstances.
- 9.7** The objectives of this assignment were to review and assess Municipal Services Division's:
- control over municipal grants;
 - compliance with Provincial legislation; and
 - system for monitoring the operations of municipalities.
- 9.8** The Provincial government's participation in the Canada-Nova Scotia Infrastructure Program was not included in the scope of this audit as it was previously the subject of a joint audit of the Auditors General of Nova Scotia and Canada (see 1996 and 1999 Reports of the Auditor General).
- 9.9** Audit criteria were developed to assist in the planning and performance of the audit. The criteria were discussed with and accepted as appropriate by senior management of the Department.

PRINCIPAL FINDINGS

Municipal Grants

- 9.10** The Municipal Services Division administers several grant programs. Equalization grants and grants-in-lieu of taxes on Provincial property are legislated by the Municipal Grants Act. Non-legislated assistance programs include a Provincial capital assistance program, the Canada-Nova Scotia Infrastructure Program, as well as programs relating to inclusive transportation and accessibility for the disabled.

- 9.11** The net cost of municipal grants has declined significantly over the last decade. In 1993 grants and assistance totaled \$60.5 million. In 2003-04 the net amount was \$41.8 million (Exhibit 9.1). There have been general declines in some grants, and there are no longer debt servicing grants to municipalities. However, the most significant changes impacting municipal grants were the implementation of an infrastructure program, and legislative amendments which require Nova Scotia Power Inc. to make payments to the Province.
- 9.12** Nova Scotia Power Inc. (NSPI) was formerly a Provincial crown corporation, but when it was privatized in 1992 it was not subject to municipal taxes. Instead, it was required to make payments to municipalities in lieu of such taxes. However, the payments were generally regarded as being less than if the company was assessed taxes in the same manner as any other business.
- 9.13** The Financial Measures Act of 2002 repealed sections of the Nova Scotia Power Privatization Act. Beginning in 2002, the company was required to make payments to the Provincial government which are considered by government to be representative of the amounts NSPI would pay to municipalities if its property was assessed and taxed as any other business. The revision required NSPI to make payments to Service Nova Scotia and Municipal Relations in 2002-03 totaling \$26.4 million. The payments required from NSPI increased to \$31.0 million in 2003-04 (Exhibit 9.2). The Department is required to withhold \$2.5 million to recover past payments to municipalities for their Harmonized Sales Tax (HST) costs, and distribute the remaining funds to municipalities, as determined by the Minister after consultation with the Union of Nova Scotia Municipalities.
- 9.14** Payments from NSPI to the Province are used to fund payments to municipalities based on the equalization formula and grants-in-lieu of taxes for NSPI property, as well as to offset HST costs borne by municipalities. However, of these amounts, only payments to municipalities based on the equalization formula (2003-04 \$12.6 million) are recorded in the accounts of SNSMR. Similarly, only this portion of the payments received from NSPI is recorded in the Department's accounts as a recovery. Amounts paid to municipalities for grants-in-lieu of taxes on NSPI property (2003-04 \$9.9 million) and HST Offsets (2003-04 \$6.0 million), as well as the amounts received from NSPI to fund these payments, are not recorded in the Department's accounts. Rather, they are recorded in accounts of the Department of Finance. This is not consistent with the Financial Measures Act of 2002 which gives the Minister of SNSMR responsibility for the expenditure of the NSPI payments, and with the fact that SNSMR prepares the cheques to municipalities for the grants-in-lieu of taxes for NSPI property.

Recommendation 9.1

We recommend that the accounts of Service Nova Scotia and Municipal Relations include all expenditures and recoveries relating to grants to municipalities which are the responsibility of the Minister of SNSMR.

9.15 The largest Provincial grant program administered by the Municipal Services Division is the equalization grant. An unconditional operating grant to municipalities was introduced in 1980. In 1995, at the time of Provincial-Municipal Service Exchange, its name was changed to equalization grants. Equalization grants totaled \$31.1 million for 2003-04. The Provincial grant portion totaled \$18.5 million. Payments of \$12.6 million were made based on the equalization formula using NSPI funding. (Exhibits 9.1 and 9.3) The grants are based on a formula which attempts to measure:

- **municipal need** - by developing standard expenditures per dwelling unit for certain municipal services for the various classes of municipalities; and
- **the ability of municipalities to fund their need** - by calculating a “uniform assessment” for each municipality, which is the total taxable assessment plus the capitalized value of grants-in-lieu of taxation from the Province.

However, equalization grants were capped for 2003-04. If the grants were based strictly on the equalization formula, they would have totaled \$34 million.

9.16 The second largest legislated Provincial grant program is grants-in-lieu of taxes, which totaled \$8.2 million (Exhibit 9.4) in 2003-04. Section 3 of the Municipal Grants Act provides for the payment of such grants on eligible Provincial property. The grants paid are equal to the full taxes that would be paid if the property was taxable. Certain property, such as health and some educational institutions, are exempted from the grant program, and others such as universities pay a reduced rate.

9.17 We reviewed the statutory authority and other requirements for the various municipal grant programs, as well as the Division’s processes for approving and controlling grant payments. Our audit tests indicate that grants were made to eligible municipalities or other recipients in accordance with statutory authority. We also found that grants are appropriately calculated and approved. Municipal Services Division maintains a Grants and Program Manual which provides a detailed description of each grant program and outlines the approval process for each program. The manual is consistent with Provincial legislation.

9.18 We noted that Section 8(2) of the Municipal Grants Act states “The total equalization grants payable to municipalities in each year shall be the amount determined by the Governor in Council.” We reviewed to see whether such authorization had been obtained. We found that an Order in Council was not processed for the 2001-02 equalization grants, but Orders in Council for 2002-03 and 2003-04 grants were processed and approved by Executive Council.

9.19 We also noted that the Division does not have a system which can provide comprehensive reports on grant programs. We were informed that it would be very time consuming to determine the number and type of grants that were made to specific municipalities over a period of years. There is no single database for

tracking all grant information. Staff would have to review each file and existing database for every municipality and tabulate the number and type of grants that were approved. We also understand that the Division relies on the ‘corporate memory’ of staff to ensure municipalities only receive funding for specific projects once over the life of a project. In discussing these concerns with management, we were told that the Division is working with consultants to create a comprehensive grant tracking and management system.

Monitoring Municipalities

- 9.20** Management of the Department explained to us that Provincial governments in Canada are generally recognizing municipalities as independent third levels of government, as opposed to entities under the control of provinces. Service Nova Scotia and Municipal Relations administers the Municipal Grants Act, Municipal Government Act and Assessment Act, as well as portions of the Nova Scotia Power Privatization Act. However, much of the legislation regarding municipalities is enabling, in that it authorizes the powers and responsibilities of municipalities. Section 2 of the Municipal Government Act notes the purpose of the Act is to give broad authority to municipal councils to manage their own operations, including authority to pass bylaws. The Act also notes municipal councils’ right to govern municipalities within the jurisdiction provided by legislation. Municipalities are subject to annual reporting requirements, such as annual audited financial statements, and are generally accountable to their electorates.
- 9.21** We were informed that the Minister has relatively limited legislative authority to enforce municipal non-compliance with legislation, except for matters relating to municipal borrowing, financial guarantees, lease commitments and financial mismanagement. Municipalities are required to report certain information to Service Nova Scotia and Municipal Relations, but there is no legislative requirement for the Department to monitor municipalities. Municipalities are required to submit audited financial statements by July 31 and an annual operating budget by September 1 of each year. A capital budget must be submitted before the Minister will approve long-term borrowing by a municipality. As well, a general information return must be submitted to the Department annually, but there is no legislated deadline.
- 9.22** However, the Provincial government has specific authorities with respect to municipal land use. Municipalities are required to submit copies of approved municipal planning strategies, land use bylaws and subdivision bylaws to the Department. These are reviewed by Municipal Services Division for consistency with Provincial land-use plans. Once approved, they are returned to the municipality, which then will advertise that the bylaws have been adopted.
- 9.23** The Municipal Services Division’s role is to work with municipalities to provide advice, assistance and program support to help municipalities make changes to improve viability. The Division has regular communication with municipalities about their status and challenges. The Division concentrates on areas of critical importance and works with municipalities to resolve problems. The Division

reviews municipal performance indicators, statistics, financial statements and auditors' management letters. When required, special studies are conducted and, in extreme cases, the Minister has the authority to require additional information be provided by a municipality and to direct an audit or review of a municipality.

Performance Reporting

- 9.24** The Department prepares annual business plans and accountability reports which are available on its website. The Department reports on its performance, organized according to its various divisions. Reporting includes identification of specific outcomes and indicators of performance, and measurement of performance using the indicators and specific targets.
- 9.25** Municipal performance measures are in various stages of development across Canada. The Federation of Canadian Municipalities has published three reports on Quality of Life in Canadian Cities. British Columbia is in the initial stages of developing annual progress reporting. Quebec established over 120 performance indicators and will require municipalities to report on 19 of them in 2004. Ontario established a mandatory performance measurement program in 2000 which uses 40 performance measures in 10 service areas. Individual municipalities such as Calgary and Winnipeg have developed their own systems of performance measurement.
- 9.26** Service Nova Scotia and Municipal Relations began a project in 1999 to develop municipal performance indicators. Municipalities were involved with the project and a joint Provincial-municipal steering committee was established. Eight financial indicators were developed. After two studies in 2000 the project was expanded to include 41 indicators organized into four categories: financial (14), community (6), governance (5) and municipal performance (16). The indicators are used by the Department, municipalities and others to understand the challenges facing each municipality and to identify best practices, with the goal of improving municipal performance. The Department believes this information will encourage a more strategic approach to municipal policy development and management.
- 9.27** Municipal performance with respect to these indicators is reported on the Department's website. As of September 2004, municipal performance reporting was available for 2001-02 only. No performance reporting is available for any municipality for 2002-03 or later. We understand that slow response rates from municipalities and lack of Division staff time have prevented complete and timely reporting of municipal performance information.

Recommendation 9.2

We recommend the Department ensure reporting of municipal performance occurs on a timely basis.

- 9.28** The Department also publishes the *Annual Report of Municipal Statistics* and *Nova Scotia Supplementary Report of Municipal Statistics*. The documents contain a significant amount of financial and statistical information relating to all municipalities in Nova Scotia. The reports make it possible to compare statistics between Provincial municipal units, and also with municipalities in other provinces. The completeness and accuracy of this information is important because it is reported publicly, used in analysis performed by the Department's municipal advisors, and used by the various municipalities in managing their own operations.
- 9.29** However, the information is not being compiled and reported on a timely basis. As of September 2004, the most recent report was published in 2003 for information related to the year ended March 31, 2001. The reports are compiled primarily by one staff member and it is a major undertaking. Information submitted by municipalities often has to be reclassified to ensure information is reported consistently from one municipality to another. Not all municipalities report on a timely basis and some have to be reminded regularly to submit information to the Department. One outcome of delays in compiling municipal statistics is that the Department sometimes must resort to using older data in its analysis.

Recommendation 9.3

We recommend the Department apply sufficient resources and implement additional procedures, if necessary, to ensure municipal statistical reports are available on a timely basis.

CONCLUDING REMARKS

- 9.30** Based on our audit, we concluded that the Municipal Services Division of Service Nova Scotia and Municipal Relations has appropriate control over municipal grants, is in compliance with Provincial legislation, and has reasonable systems for monitoring the operations of municipalities, to the extent required by Provincial legislation.
- 9.31** We believe the reporting of municipal performance to be a significant accountability measure, and see value in the compilation and publication of municipal statistics. Accordingly, the Department needs to ensure reporting of municipal performance and statistics is current.
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Municipal Services Division - Grants and Assistance

	1992-93	2002-03	2003-04
Provincial operating / equalization grants	\$ 37,809,478	\$ 21,250,000	\$ 18,450,000
Payments based on equalization formula funded by NSPI payments	--	9,800,000	12,600,000
Total Relating to Municipal Equalization (Exhibit 9.3)	37,809,478	31,050,000	31,050,000
Debt servicing grant	7,421,055	--	--
Grants-in-lieu of taxes for Provincial property (Exhibit 9.4)	9,754,606	8,089,528	8,225,204
Provincial capital assistance	--	3,049,198	930,869
Other grants and assistance	5,480,211	3,963,992	3,407,951
Infrastructure program	--	22,397,031	24,483,307
Total Grants and Assistance	60,465,350	68,549,749	68,097,331
Recovery - NSPI payments allocated to fund payments based on equalization formula	--	9,800,000	12,600,000
Recovery - Federal government for Infrastructure program	--	13,656,986	13,719,698
Total Recoveries	--	23,456,986	26,319,698
NET GRANTS AND ASSISTANCE	\$ 60,465,350	\$ 45,092,763	\$ 41,777,633

Note: Provincial-Municipal Service Exchange was implemented in 1995, resulting in changes to services provided by municipalities, as well as grants provided by the Province to municipalities to help fund such services.

Nova Scotia Power Inc. - Payments to Province of Nova Scotia

Exhibit 9.2

Application of NSPI Payments	2002-03	2003-04
To SNSMR to fund payments based on equalization formula	\$ 9,800,000	\$ 12,600,000
To Department of Finance for NSPI grants-in-lieu of taxes (Exhibit 9.5)	8,100,000	9,900,000
To Department of Finance for HST offset payments	6,000,000	6,000,000
To Department of Finance for HST recovery	2,500,000	2,500,000
TOTAL PAYMENTS BY NSPI	\$ 26,400,000	\$ 31,000,000

Note: In 1993, payments by Nova Scotia Power Inc. made directly to municipalities in-lieu of taxes approximated \$5 million.

Municipal Services Division - Equalization Grants by Municipality (sorted by grant per dwelling unit)

Exhibit 9.3

Municipality	Equalization Grants 2002-03	Equalization Grants 2003-04	Dwelling Units 2003	Grant per Dwelling Unit 2003-04
Canso	\$ 203,501	\$ 231,221	442	\$ 523.12
Parrsboro	432,218	433,006	836	517.95
Westville	802,778	790,696	1,584	499.18
Lockeport	150,964	147,273	336	438.31
Springhill	656,548	677,978	1,760	385.21
Bridgetown	176,915	182,118	491	370.91
Pictou - town	610,321	604,542	1,647	367.06
Mulgrave	134,894	134,894	380	354.98
Trenton	463,401	407,848	1,159	351.90
Cape Breton Region	15,458,561	15,620,019	46,504	335.89
Clark's Harbour	124,481	138,377	413	335.05
Stewiacke	192,955	188,911	580	325.71
Shelburne - town	298,751	290,541	963	301.70
Digby - town	306,777	305,242	1,089	280.30
Amherst	985,096	1,030,015	4,331	237.82
Stellarton	473,726	483,726	2,094	231.01
Middleton	176,810	183,665	934	196.64
Windsor	310,151	322,844	1,703	189.57
New Glasgow	813,061	763,978	4,394	173.87
Annapolis Royal	77,099	53,317	342	155.90
Digby County	629,205	629,205	4,381	143.62
Yarmouth - town	268,810	334,830	3,416	98.02
Mahone Bay	50,000	50,000	517	96.71
Inverness County	737,969	737,969	8,015	92.07
Hantsport	50,000	50,000	552	90.58
Oxford	111,949	52,221	579	90.19
Annapolis County	832,684	832,684	9,633	86.44
Region Of Queens	745,738	558,603	6,620	84.38
Clare	384,398	384,398	4,738	81.13
Shelburne County	223,887	223,887	2,887	77.55
Port Hawkesbury	120,909	111,697	1,539	72.58

Municipality	Equalization Grants 2002-03	Equalization Grants 2003-04	Dwelling Units 2003	Grant per Dwelling Unit 2003-04
Cumberland	708,745	708,745	10,337	68.56
Yarmouth County	327,393	327,393	5,069	64.59
Barrington	205,745	205,745	3,557	57.84
Argyle	226,057	226,057	4,056	55.73
Berwick	50,000	50,000	927	53.94
St. Mary's	31,778	106,326	2,008	52.95
Wolfville	190,973	119,724	2,309	51.85
Hants West	289,913	289,913	6,169	47.00
Antigonish County	296,022	296,022	6,363	46.52
Truro	268,747	261,996	5,814	45.06
Victoria	205,046	205,046	4,576	44.81
Lunenburg - town	50,000	50,000	1,189	42.05
Colchester	548,853	548,853	16,311	33.65
Hants East	233,650	233,650	8,628	27.08
Lunenburg County	262,521	262,521	13,483	19.47
Antigonish - town	50,000	50,000	2,570	19.46
Kentville	50,000	50,000	2,589	19.31
Bridgewater	50,000	50,000	3,571	14.00
Pictou County	-	52,304	10,952	4.78
Chester	-	-	6,392	-
Guysborough	-	-	3,389	-
Halifax Regional	-	-	161,361	-
Kings	-	-	20,111	-
Richmond	-	-	5,095	-
TOTALS	\$ 31,050,000	\$ 31,050,000	421,685	\$ 73.63

Note: Equalization grants include \$50,000 town foundation grants totaling \$1,550,000. Equalization grants have been capped during the years 2002-03 and 2003-04. If grants were based strictly on the equalization formula, they would have totaled \$33,962,173 in 2003-04.

Grants-in-Lieu of Taxes - Provincial Property (sorted by 2003-04 grant)

	2002-03	2003-04		2002-03	2003-04
Halifax Regional	\$ 3,354,357	\$ 3,445,396	Barrington County	56,947	62,007
Cape Breton Regional	670,099	663,684	Stellarton	57,711	57,859
Colchester County	339,220	345,209	Chester County	52,162	52,847
Wolfville	263,747	284,765	Clare County	40,839	46,748
Inverness County	266,586	259,257	Hants West County	36,013	38,114
Victoria County	241,145	240,477	Kentville	53,744	21,536
Guysborough County	214,461	223,018	Yarmouth County	18,627	18,482
Yarmouth - town	212,458	214,095	Oxford	12,262	12,348
Antigonish - town	180,369	180,308	Windsor	12,217	12,224
Kings County	166,826	171,266	Truro	10,582	10,582
Cumberland County	154,088	155,029	Canso	7,756	9,226
Shelburne County	145,224	145,071	Shelburne - town	3,249	3,260
Argyle County	126,645	125,485	Annapolis Royal	1,998	1,932
Lunenburg County	123,722	123,929	Stewiacke	1,513	1,542
Pictou County	124,563	123,096	Mahone Bay	1,137	1,171
St. Mary's	119,031	119,166	Springhill	1,048	1,048
Antigonish County	112,035	115,078	Lockeport	500	500
Annapolis County	101,439	107,469	Parrsboro	1,924	448
Digby County	90,725	99,063	Lunenburg - town	439	439
Pictou - town	96,784	98,930	Clark's Harbour	408	408
Amherst - town	97,749	98,394	Bridgetown	374	388
Queens Regional	86,952	87,604	Berwick	-	-
Bridgewater	85,714	85,769	Hantsport	-	-
Digby - town	80,363	85,470	Mulgrave	-	-
Port Hawkesbury	72,874	72,724	New Glasgow	-	-
Richmond County	68,072	70,996	Trenton	-	-
Middleton	63,045	65,826	Westville	-	-
Hants East County	59,786	65,521			
			TOTAL	\$ 8,089,528	\$ 8,225,204

**Grants-in-Lieu of Taxes - Nova Scotia Power Inc.
(sorted by 2003-04 grant)**

Exhibit 9.5

	2002-03	2003-04			2002-03	2003-04
Halifax Regional	\$ 2,509,677	\$ 2,509,677		Argyle County	33,063	33,063
Cape Breton Regional	1,394,568	2,018,408		Hantsport	25,732	25,732
Queens Regional	822,022	1,304,128		Wolfville	25,554	25,554
Trenton	483,613	766,944		Stellarton	25,254	25,254
Annapolis Royal	363,242	574,037		Guysborough County	24,705	24,705
Richmond County	414,248	414,248		Shelburne County	23,524	23,524
Kings County	216,633	216,633		Port Hawkesbury	23,464	23,464
Annapolis County	117,513	213,312		Windsor	22,805	22,805
Colchester County	162,318	162,318		Springhill	21,638	21,638
Pictou County	143,932	143,932		Oxford	18,504	18,504
Digby County	90,429	139,969		Pictou - town	16,659	16,659
Truro	100,367	100,367		Digby - town	16,422	16,422
Lunenburg County	85,812	85,812		Shelburne - town	13,492	13,492
Bridgewater	80,214	80,214		Middleton	13,114	13,114
Kentville	48,644	78,233		Westville	12,155	12,155
Hants East County	77,606	77,606		St. Mary's	10,706	10,706
Cumberland County	74,717	74,717		Bridgetown	6,916	6,916
Inverness County	66,052	66,052		Clark's Harbour	6,631	6,631
Yarmouth County	38,941	62,684		Parrsboro	5,957	5,957
Hants West County	61,832	61,832		Stewiacke	5,879	5,879
Chester County	61,717	61,717		Lockeport	5,075	5,075
Amherst - town	57,794	57,794		Mulgrave	3,834	3,834
New Glasgow	55,486	55,486		Antigonish - town	1,680	2,665
Yarmouth - town	51,360	51,360		Mahone Bay	415	658
Antigonish County	45,862	45,862		Canso	111	139
Victoria County	39,038	39,038		Berwick	-	-
Barrington County	36,538	36,538		Lunenburg - town	-	-
Clare County	36,538	36,538				
				TOTAL	\$ 8,100,000	\$ 9,900,000

SERVICE NOVA SCOTIA AND MUNICIPAL RELATIONS' RESPONSE

Service Nova Scotia and Municipal Relations is pleased the audit confirms that the Municipal Services Division has appropriate control over grants to municipalities, complies with Provincial legislation, and has appropriate systems to monitor municipal operations to the extent required by Provincial legislation.

The Department offers the following comments in response to the three recommendations contained in the audit.

We recommend that the accounts of Service Nova Scotia and Municipal Relations include all expenditures and recoveries relating to grants to municipalities which are the responsibility of the Minister of SNSMR. Nova Scotia Power Inc (NSPI) pays a grant-in-lieu of taxes to municipalities. SNSMR simply facilitates the payment of NSPI's grant-in-lieu to the municipalities.

We recommend the Department ensure reporting of municipal performance occurs on a timely basis. We recommend the Department apply sufficient resources and implement additional procedures, if necessary, to ensure municipal statistical reports are available on a timely basis. SNSMR understands the significance of these initiatives and acknowledges the resource challenges related to their execution. The Department has started

work on a plan to address these challenges. As SNSMR's ability to report is dependent in part upon municipal reporting, the plan will involve working with our municipal clients to improve timeliness.