



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 3
Committee of the Whole
February 1, 2017

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Evangeline Colman-Sadd, Auditor General

DATE: January 17, 2017

SUBJECT: Proposed 2017/18 Multi-year Office of the Auditor General Budget Plan

ORIGIN

As per Administrative Order 1 and the Budget and Business Plan consultation schedule presented in the Information Report of November 22, 2016, staff is required to present the 2017/18 draft Business Unit Budget and Business Plans to the Committee of the Whole for review and discussion prior to consideration by Regional Council.

LEGISLATIVE AUTHORITY

Halifax Charter, section 35 (1) The Chief Administrative Officer shall (b) ensure that an annual budget is prepared and submitted to the Council.

RECOMMENDATION

It is recommended that the Committee of the Whole direct staff to proceed to prepare the 2017/2018 Multi-year Office of the Auditor General Budget, including 2018/2019 in principle, as proposed in the accompanying presentation and consistent with the preliminary fiscal direction.

BACKGROUND

As part of the design of the 2017/18 Budget and Business Plan development process, the Committee of the Whole is reviewing each Business Unit's high level budget and proposed plans in advance of detailed HRM Budget and Business Plan preparation.

At the December 6, 2016 Committee of the Whole, Regional Council considered and confirmed Council Priority Outcomes and on December 14, 2016 provided fiscal direction for the 17/18 multi-year budget, directing staff to: "develop the 2017/18 Multi-year Budget and Business Plans in support of the fiscal direction and approved priorities."

DISCUSSION

Staff has prepared the proposed 17/18 Budget consistent with the preliminary fiscal direction received from Council on December 14, 2016 and aligned with Council Priorities as approved on December 6, 2016.

Following direction from the Committee of the Whole, staff will proceed to prepare the detailed Budget and Business Plan for inclusion in the proposed HRM 2017/18 Multi-year Budget and Business Plan documents to be presented to Council, as per the process and schedule in the November 22, 2016 Information Report.

RISK CONSIDERATION

None are specifically associated with this report.

FINANCIAL IMPLICATIONS

The recommendations in this report will lead to the development of a proposed budget for 2017/18. There are no immediate financial implications from these recommendations. The broader financial implications will be discussed and debated as the budget is developed in more detail.

COMMUNITY ENGAGEMENT

None are specifically associated with this report.

ENVIRONMENTAL IMPLICATIONS

None

ALTERNATIVES

The Committee of the Whole can choose to amend the Budget Plan as proposed in the accompanying presentation through specific motion, and direct staff to proceed to prepare the Budget and Business Plan for inclusion in the proposed HRM Budget and Business Plan documents.

ATTACHMENTS

Office of the Auditor General 2017 – 2018 Multi-year Budget Presentation

Report Prepared by: David Marr, Audit Manager, Office of the Auditor General, 902.240.2492

Report Approved by: Original Signed

Evangeline Colman-Sadd, Auditor General, 902-490-8422

Confirmation Report is Original Signed
Within Council's
Approved Fiscal Plan: _____
Amanda Whitewood, Director of Finance & ICT/CFO, 902.490.6308

* Given the independent nature of the Auditor General's Office, this report is approved by the Auditor General. Director of Finance/ CFO signature is to confirm consistency with Council's approved fiscal plan; it does not represent approval of the Auditor General's budget.

AUDITOR
GENERAL

Halifax Regional Municipality

Office of the Auditor General 2017 – 2018 Multi-Year Budget

Committee of the Whole on Budget

February 1, 2017

OAG Overview

The Office of the Auditor General's first responsibility is to the public. Providing assistance to Halifax Regional Council in holding itself and the administration accountable for the quality of stewardship over the public funds and for achievement of value-for-money in the Municipality's operations.

Accomplishments

- ❑ Four major reviews completed or underway for 2016/17
- ❑ Other work undertaken in 16/17:
 - ❑ RCCC
 - ❑ Follow-up
- ❑ 37 reports with 660 recommendations since the Office was established
- ❑ Follow-up process under-review for previously released reports

2016/17 Update

- ❑ Recruitment and hiring of new Auditor General
- ❑ Staff turnover with minor re-alignment in 2016/17
 - ❑ Filling vacant positions (three staff, Audit Director)
- ❑ Annual Audit Work Plan under development

Initiatives

Initiative / Priority Outcome	Proposed 17/18 Cost	Projected 18/19 Cost	Projected 19/20 Cost	Efficiency Gain / Value for \$ / Comment
Electronic Working Papers Implementation	-	12,000	21,000	Approximately 900 hours saved annually towards increased efficiencies

Operating Budget Overview

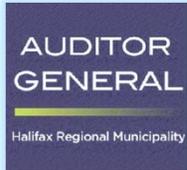
Operations by Expenditure type	15/16		16/17		17/18	18/19
	Budget	Actual	Budget	3 rd Quarter Projection	Proposed Budget	Proposed Budget
Compensation and Benefits	898,500	715,042	888,900	628,624	920,600	920,600
Office	14,000	6,966	13,500	93,700	13,500	14,500
External Services	11,600	5,710	8,600	5,900	6,000	7,000
Equipment & Communications	2,000		2,000	600	2,000	2,000
Other Goods & Services	39,000	21,720	33,000	70,900	37,200	45,200
** Total Expenditures	965,100	749,438	946,000	799,724	979,300	989,300
Other Revenue		(8,734)				
** Total Revenue		(8,734)				
OAG Total	965,100	740,704	946,000	799,724	979,300	989,300

Staff Counts (FTEs)

Service Area	14/15	15/16	16/17	17/18	18/19
OAG	8	10	10	10	10
Business Unit Total	8	10	10	10	10

Summary of Two-Year Budget Changes

	Proposed 2017/18 Budget	Proposed 2018/19 Budget
Starting Budget 2016-17	946,000	946,000
Total Change Included	33,300	43,300
Proposed Budget	979,300	989,300



Questions and Discussion