



P.O. Box 1749  
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**Item No. 7**  
**Budget Committee**  
**January 10, 2018**

**TO:** Chair and Members of Budget Committee  
(Standing Committee of the Whole on Budget)

**SUBMITTED BY:** Original Signed  
\_\_\_\_\_  
Evangeline Colman-Sadd, Auditor General

**DATE:** January 2, 2018

**SUBJECT:** Proposed 2018/19 Multi-year Office of the Auditor General Budget Plan

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**ORIGIN**

As per Administrative Order 1 and the Budget and Business Plan consultation schedule presented to Regional Council on November 14, 2017, staff is required to present the 2018/19 draft Business Unit Budget and Business Plans to the Budget Committee 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 Budget Committee direct staff to proceed to prepare the 2018/19 Multi-year Office of the Auditor General Budget as proposed in the accompanying presentation and consistent with the preliminary fiscal direction.

**BACKGROUND**

As part of the design of the 2018/19 Budget and Business Plan development process, the Budget Committee is reviewing each Business Unit's budget and proposed plans in advance of detailed HRM Budget and Business Plan preparation.

At the December 5, 2017 Committee of the Whole meetings, Regional Council considered and confirmed their Council Priority Outcomes and on December 13, 2017 provided fiscal direction for the 2018/19 multi-year budget, directing staff to: "develop the 2018/19 Multi-year Budget and Business Plans in support of the fiscal direction and approved priorities."

**DISCUSSION**

Staff has prepared the proposed 2018/19 Budget consistent with the preliminary fiscal direction received from Council on December 13, 2017 and aligned with Council Priorities as approved on December 5, 2017.

Following direction from the Budget Committee, staff will proceed to prepare the detailed Budget for inclusion in the proposed HRM 2018/19 Multi-year Budget and Business Plan documents to be presented to Council, as per the process and schedule in the November 14, 2017 staff report.

**FINANCIAL IMPLICATIONS**

The recommendations in this report will lead to the development of a proposed 2018/19 Multi-year budget. 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.

**RISK CONSIDERATION**

None are specifically associated with this report.

**COMMUNITY ENGAGEMENT**

None are specifically associated with this report.

**ENVIRONMENTAL IMPLICATIONS**

None

**ALTERNATIVES**

The Budget Committee 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 Plan for inclusion in the proposed HRM Budget and Business Plan documents.

**ATTACHMENTS**

- Office of the Auditor General 2018/19 Multi-year Budget Presentation

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

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

Original Signed

Report Approved by: \_\_\_\_\_  
Evangeline Colman-Sadd, Auditor General, 902.490.8407

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# Office of the Auditor General

2018/19 Multi-Year Budget

Committee of the Whole

# Office of the Auditor General

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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 - Snapshot

BUDGET FORECAST

**\$907,000**

OVERALL

**15%**



from actual



ALL 2017/18 AUDIT PLAN  
ITEMS UNDERWAY

2018/19 AUDIT  
WORK PLAN IN  
DEVELOPMENT



STAFFING TURNOVER

**4 HIRES**

FULL STAFF  
COMPLEMENT



**REPORTS**

**3** RELEASED

**3** IN PROGRESS

RECOMMENDATION  
FOLLOW-UP  
PROCESS REVAMPED -

**2014** AND

**18**-MONTH CYCLE



IMPLEMENTED EWP

SECURE, WEB-  
BASED

AUDIT WORKING PAPER  
SOLUTION



# Going Forward – Snapshot

BUDGET

**\$1,019,600**

OVERALL

**2.3%**

from 2017/18 budget



**93%** of BUDGET  
ASSOCIATED WITH  
COMPENSATION



**BUDGET SHIFTS**

HOSTING COSTS FOR  
TEAMMATE &  
PROFESSIONAL DUES (2018/19)  
MAINTENANCE COSTS on  
SOFTWARE 2019/20



DEVELOPMENT OF  
**INTERNAL  
KPIs**



ENHANCED USE OF  
**TEAMMATE**  
FOR ONGOING  
AND FOLLOW-UP  
AUDITS



ENHANCED  
**WEB  
PRESENCE**



for the OFFICE.

# Operating Budget Overview

Expenditures	2016 Budget	2017 Budget	2017 Projected	2018 Budget
Compensation and Benefits	888,900	984,800	847,390	950,900
Office	13,500	13,500	11,400	17,700
External Services	8,600	6,000	10,000	6,000
Equipment & Communications	2,000	2,000	2,000	2,000
Other Goods & Services	33,000	37,200	37,200	43,000
<b>Total Expenditures</b>	<b>946,000</b>	<b>1,043,500</b>	<b>906,990</b>	<b>1,019,600</b>
<b>Net Surplus/Deficit</b>	<b>946,000</b>	<b>1,043,500</b>	<b>906,990</b>	<b>1,019,600</b>

# FTE Positions\*

Service Area	16/17 Approved	17/18 Approved	18/19 Approved in Principle	18/19 Proposed
Office of the Auditor General	10	10	10	10
<b>Business Unit Total</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>

\* Budgeted positions, actual staffing levels vary

# Summary of Proposed Budget Adjustments

Proposed Adjustments	Impact on Service Delivery	Projected 18/19 \$ Impact	Amount
<b>18/19 Approved in Principle</b>			<b>\$1,053,500</b>
Compensation reduction due to position realignment		(\$33,900)	
<b>Total Proposed Changes</b>			<b>(\$33,900)</b>
<b>Proposed 18/19 Budget</b>			<b>\$1,019,600</b>

\* Includes approved in principle 2-year changes from 17/18 budget discussions

# Questions and Discussions