

HALIFAX

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Item No. 7
Budget Committee
January 15, 2020

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

Original Signed

SUBMITTED BY: _____
Evangeline Colman-Sadd, Auditor General

DATE: January 8, 2020

SUBJECT: Proposed 2020/21 Office of the Auditor General Budget Plan

ORIGIN

As per Administrative Order 1 and the Budget and Business Plan consultation schedule presented to Regional Council on June 4, 2019, staff is required to present the draft 2020/21 Business Unit Budget 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 the Budget Committee direct staff to prepare the Office of the Auditor General 2020/21 Budget Plan, as proposed in the accompanying presentation, and furthermore to prepare Over and Under items for that Plan as directed by Regional Council's Committee of the Whole on Budget.

BACKGROUND

As part of the design of the 2020/21 Budget and Business Plan development process, the Budget Committee is reviewing each business unit's budget, in advance of completing detailed HRM Budget and Business Plan preparation.

At the October 29, 2019 Committee of the Whole meeting, Regional Council considered the 2020/21 Strategic Priorities Plan and at the November 12, 2019 session of Regional Council, confirmed and directed the CAO to proceed to prepare the 2020/21 Budget and Business Plan in support of Council's Priority Outcomes, consistent with the Outcome Plans as presented in Attachment C of the 2017-2021 Multi-year Priority Outcome Update.

DISCUSSION

Staff from the Office of the Auditor General prepared the proposed 2020/21 Budget consistent with the 2020/21 Strategic Priorities Plan approved on November 12, 2019.

Following direction from the Budget Committee, staff will proceed to prepare the detailed Budget and Business Plan for inclusion in the proposed 2020/21 HRM Budget and Business Plan documents to be presented to Regional Council's Committee of the Whole, as per the process and schedule approved on June 4, 2019.

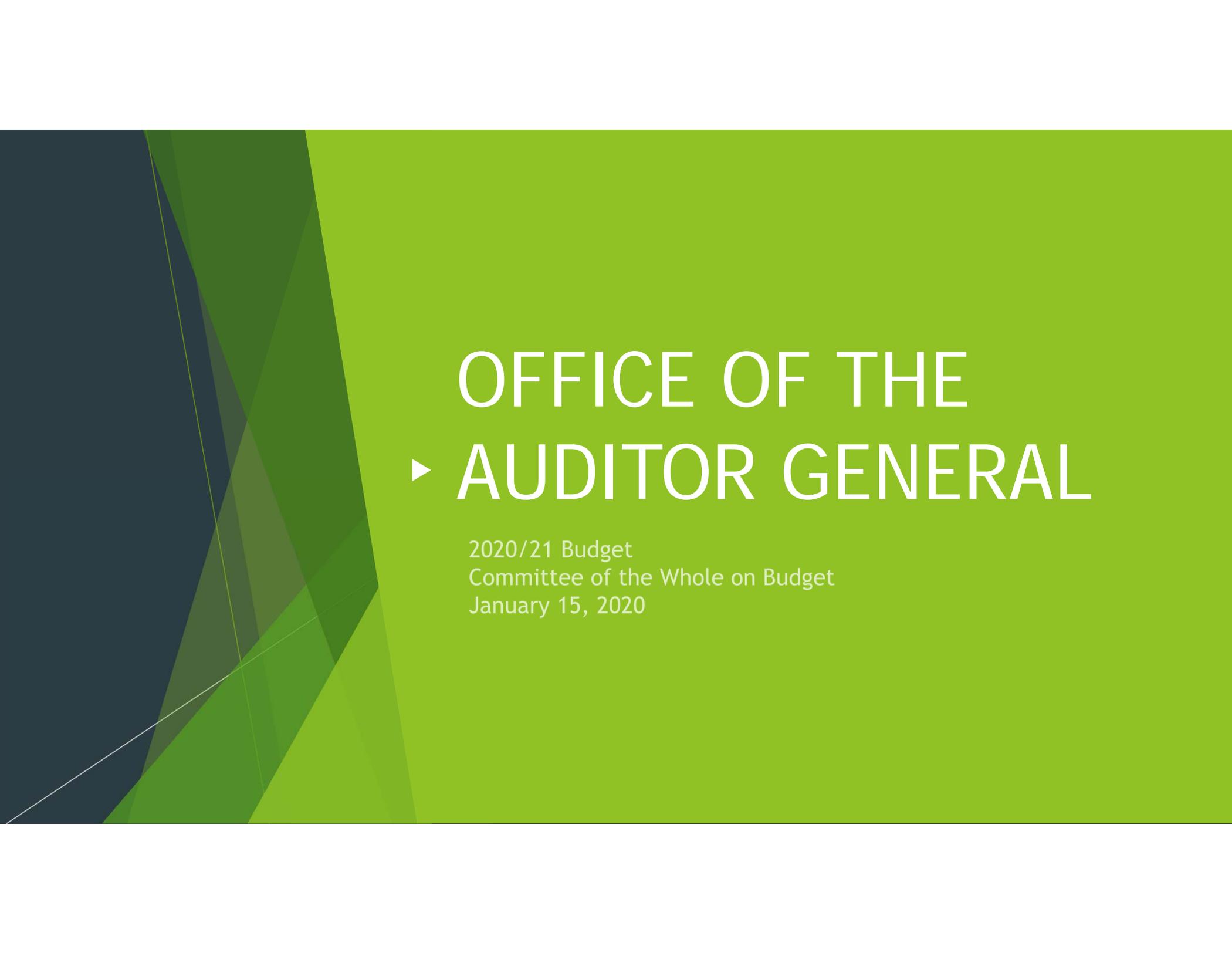
As part of the Budget process, Regional Council will be provided with a list of possible service increases and decreases that will allow them to more fully direct changes to the budget.

FINANCIAL IMPLICATIONS

The recommendations in this report will lead to the development of a proposed 2020/21 Budget. There are no immediate financial implications from this recommendation. The broader financial implications will be discussed and debated as the budget is developed in more detail.

RISK CONSIDERATION

Although there is no immediate risk related to financial decisions, there may be risks associated with individual decisions during the budget debate that could favour short-term results over longer term strategic outcomes. Individual decisions made during budget debate will however, be considered for both short- and long-term impacts to levels of service, asset condition, and cost.



OFFICE OF THE ▶ AUDITOR GENERAL

2020/21 Budget
Committee of the Whole on Budget
January 15, 2020

Our Values

Integrity

We value honesty and accountability, holding ourselves to high professional and ethical standards.

Objectivity

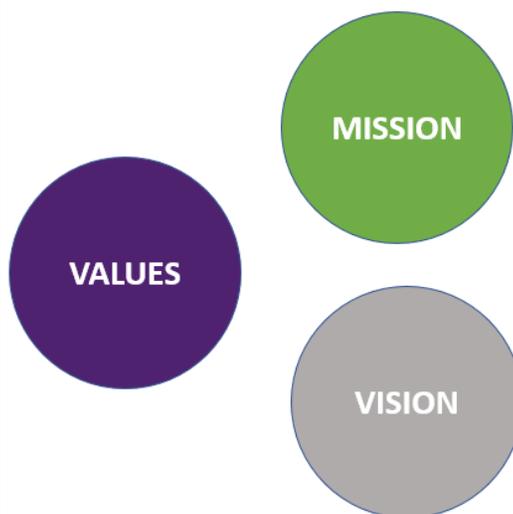
We are independent from management of the entities we audit and impartial in our assessments.

Collaboration

We work together to focus on the significant issues and make practical recommendations for improvement.

Excellence

We develop our knowledge and work to improve our processes.



Our Mission

To deliver independent audits that strengthen accountability and encourage improved efficiency and effectiveness of programs

Our Vision

A relevant, valued, independent audit office, known for professional excellence



ABOUT US

OUR ROLE IS ESTABLISHED
IN THE HRM CHARTER



ASSIST REGIONAL COUNCIL
IN HOLDING ITSELF AND
ADMINISTRATION
ACCOUNTABLE FOR USE OF
PUBLIC FUNDS



2019/20 OAG FORECAST
UNDER BUDGET

AS REQUIRED BY THE
CHARTER WE ESTABLISH
ANNUAL AUDIT PRIORITIES
BASED ON ASSESSMENT OF
RISKS IN VARIOUS PROGRAM
AREAS



HURDLES



Staffing - Hiring, Retention



Adjusting for inflation and market conditions.



Ladder Concept -
Students vs Experienced Staff

OPERATING BUDGET

► OVERVIEW

Summary of Expenditures & Revenue						
Expenditures	2018/19	2019/20	2019/20	2020/21		
	Actual	Budget	Projections	Budget	Δ 19/20 Budget	Δ %
Compensation and Benefits	\$ 963,070	\$ 987,000	\$ 882,224	\$ 1,032,000	\$ 45,000	4.6
Office	28,465	37,500	35,000	37,700	\$ 200	0.5
External Services	5,678	8,500	8,500	9,000	\$ 500	5.9
Equipment & Communications	63	2,000	600	1,000	\$ (1,000)	(50.0)
Other Goods & Services	31,587	50,700	31,450	47,200	\$ (3,500)	(6.9)
Interdepartmental	15	-	-	-	\$ -	
Total Expenditures	1,028,877	1,085,700	957,774	1,126,900	41,200	3.8
Total Revenues	-	-	-	-	-	
Net Total	\$ 1,028,877	\$ 1,085,700	\$ 957,774	\$ 1,126,900	\$ 41,200	3.8

OPERATING BUDGET

▶ STAFF COUNTS

Full Time Equivalent	2019/20 Approved	2020/21 Planned Change (+/-)	2020/21 Planned
Full Time	10.0	(0.4)	9.6
Seasonal, Casual & Term	-	-	-
Total	10.0	(0.4)	9.6

OPERATING BUDGET

► SUMMARY OF CHANGES

Budget Change Summary - Office of the Auditor General	
Change Description / Service Impact	Amount
Approved 2019/20 Budget	\$ 1,085,700
Compensation Changes:	
Salary Adjustments	45,000
Other Budget Adjustments:	
Computer Software and Licenses	1,000
Legal Fees	2,500
Decrease in Contract Services	(2,000)
Recruitment	1,000
Decrease in Training and	(3,200)
Decrease Other Expenses	(3,100)
Total Proposed Changes	\$ 41,200
Proposed 2020/21 Budget	\$ 1,126,900

Questions?

