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REVISED
Feb 16/23
Attachment 2 - Slide 3 only

Item No. 6.1
Budget Committee
February 17, 2023

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

SUBMITTED BY: **Original Signed**

Evangeline Colman-Sadd, Auditor General, 902.490.8407

DATE: January 10, 2023

SUBJECT: Proposed 2023/24 Office of the Auditor General Budget and Business Plan

ORIGIN

As per Administrative Order 1 and the Budget and Business Plan consultation schedule presented to Regional Council on November 8, 2022, staff are required to present the draft 2023/24 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 the Budget Committee direct the staff to incorporate the Office of the Auditor General's proposed 2023/24 Budget and Business Plan, as set out and discussed in the January 10, 2023, staff report and supporting presentation, into the Draft 2023/24 Operating Budget.

BACKGROUND

On January 12, 2021, Regional Council adopted a Strategic Planning Framework, establishing priority outcomes for their term, and directed staff to develop multi-year plans to advance these outcomes.

As part of the design of the 2023/24 Budget and Business Plan development process, the Budget Committee is reviewing each business unit's budget and proposed plans, in advance of completing detailed HRM Budget and Business Plan preparation.

DISCUSSION

Staff has prepared the proposed 2023/24 Office of the Auditor General Budget and Business Plan consistent with the 2021- 2025 Strategic Priorities Plan approved on December 1, 2020, as well as budget direction provided on November 25, 2022.

Following direction from the Budget Committee, staff will proceed to prepare the detailed Budget and Business Plan for inclusion in the proposed 2023/24 HRM Budget and Business Plan documents to be presented to Regional Council's Budget Committee, as per the process and schedule approved on November 8, 2022.

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 2023/24 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.

In addition, the administration seeks to reduce these risks in three ways: by providing Regional Council with several fiscal options to assist in the achievement of longer-term strategic outcomes, by assessing both corporate and capital project risk, and by providing the opportunity to draw Regional Council's attention to project or program related risks when reports are presented for consideration.

HRM implemented Enterprise Risk Management in 2015. Corporate and operational risks are evaluated annually during the business planning process and mitigating strategies are implemented to reduce the overall risk to the organization. Project related risk is evaluated during the capital planning process. Project managers use the same risk assessment tools as those used to assess corporate risk to rate each discrete project.

COMMUNITY ENGAGEMENT

The 2022 Resident Survey was conducted from September 12 – 29, 2022. This survey was available online and by mail to all residents and received 4,030 responses to a variety of budget, planning, and priorities

questions. The results of the 2022 Resident Survey were provided in an information report presented to Reginal Council on November 22, 2022.

The 2023/24 budget consultation process also seeks to solicit public comment by inviting members of the public to provide feedback following each business unit budget and business plan presentation.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

The Budget Committee can choose to amend the Budget and Business Plan as proposed in the supporting presentation through specific motion, and direct staff to proceed to prepare the Budget and Business Plan for inclusion in the proposed 2023/24 HRM Budget and Business Plan documents.

ATTACHMENTS

Attachment 1 - 2023/24 Office of the Auditor Proposed Budget and Business Plan

Attachment 2 - 2023/24 Office of the Auditor Proposed Budget and Business Plan Presentation

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Katie Chaulk, Communications Coordinator & Office Administrator, Office of the Auditor General, 902.490.8407

Original Signed

Report Approved by:

Evangeline Colman-Sadd, Auditor General, 902.490.8407

AUDITOR
GENERAL

Halifax Regional Municipality

OFFICE OF THE AUDITOR GENERAL

2023/24 BUDGET AND BUSINESS PLAN

MISSION TO DELIVER INDEPENDENT AUDITS THAT STRENGTHEN ACCOUNTABILITY AND ENCOURAGE IMPROVED EFFICIENCY AND EFFECTIVENESS OF PROGRAMS

OVERVIEW

The Office of the Auditor General is responsible for auditing Halifax Regional Municipality's programs and accounts, including all municipal bodies. The Office assists Halifax Regional Council in holding itself, and administration, accountable for the use of public funds and for achieving value-for-money in the Municipality's operations.

The Office of the Auditor General independently prepares and publishes its annual audit priorities and reports. Details can be found at: <https://hrmauditorgeneral.ca/annual-reports>.

FULL TIME EQUIVALENT COUNTS

Includes all approved and funded full time equivalents (FTEs)

Full Time Equivalent (FTE) Change Details	
Approved 2022/23 FTEs:	9.6
Transferred Positions:	
	-
New Positions:	
	-
Capital Changes:	
	-
Total Changes	-
Total Budgeted 2023/24 FTEs	9.6

BUDGET

SERVICE AREA BUDGET OVERVIEW

Service Area Budget Overview						
Service Area	2021/22	2022/23	2022/23	Budget	2023/24	
	Actual	Budget	Projections*		Δ 22/23 Budget	Δ %
Office of the Auditor General	1,040,655	1,147,800	1,209,600	1,195,700	47,900	4.2
Net Total	\$ 1,040,655	\$ 1,147,800	\$ 1,209,600	\$ 1,195,700	\$ 47,900	4.2

*Includes approved one-time funding from Reserve of \$100,000.

SUMMARY OF EXPENDITURE AND REVENUE

Summary of Expenditures & Revenue						
Expenditures	2021/22	2022/23	2022/23	Budget	2023/24	
	Actual	Budget	Projections*		Δ 22/23 Budget	Δ %
Compensation and Benefits	\$ 957,965	\$ 1,025,600	\$ 960,500	\$ 1,073,300	\$ 47,700	4.7
Office	54,344	31,200	35,900	32,900	1,700	5.4
External Services	5,497	44,000	177,900	33,100	(10,900)	(24.8)
Equipment & Communications	441	1,000	1,000	1,000	-	-
Other Goods & Services	28,215	46,000	34,300	55,400	9,400	20.4
Interdepartmental	110	-	-	-	-	-
Total Expenditures	1,046,572	1,147,800	1,209,600	1,195,700	47,900	4.2

*Includes approved one-time funding from Reserve of \$100,000.

Revenues	2021/22	2022/23	2022/23	Budget	2023/24	
	Actual	Budget	Projections		Δ 22/23 Budget	Δ %
Other Revenue	(5,917)	-	-	-	-	-
Total Revenues	(5,917)	-	-	-	-	-
Net Total	\$ 1,040,655	\$ 1,147,800	\$ 1,209,600	\$ 1,195,700	\$ 47,900	4.2

OPERATING – SUMMARY OF CHANGES

Change Description / Service Impact	Amount
Approved 2022/23 Budget	\$ 1,147,800
Compensation Changes:	
Salary & Benefits increase	47,700
Other Budget Adjustments:	
Office increase	1,700
External Services decrease	(10,900)
Staff training & membership increases	9,400
Total Proposed Changes	\$ 47,900
2023/24 Budget	\$ 1,195,700

REVISED

Attachment 2

OFFICE OF THE ▶ AUDITOR GENERAL

2023/24 Budget
Committee of the Whole on Budget
February 17, 2023

OUR MISSION, VISION AND VALUES

Our Values

Integrity

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

Objectivity

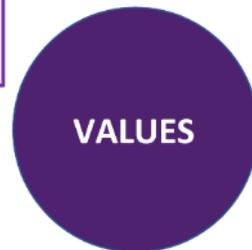
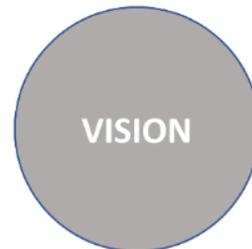
We are independent from management of the entities we audit and impartial in our assessments.

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



2022/23 SNAPSHOT

Revised

<p>UNDER BUDGET BASED ON 2022-23 BUDGET REQUEST + RESERVE FUNDING</p> 	<p>Two of Four 2022-23 AUDIT PLAN ITEMS UNDERWAY</p> <p>2023-24 AUDIT WORK PLAN IN DEVELOPMENT (April 2023)</p>	<p>ONE VACANCY</p> <p>February 2023</p> 
<p>AUDIT REPORTS</p>  <p>3 RELEASED</p> <p>1 TO BE RELEASED IN MARCH</p> <p>2 AUDITS IN PROGRESS</p>	<p>FOLLOW-UP</p>  <p>THREE 2019-20 AUDITS</p> <p>64% RECOMMENDATIONS COMPLETED</p> <p>TWO 2020-21 AUDITS TO BE RELEASED FEBRUARY</p> <p>REVIEW OF OUTSTANDING RECOMMENDATIONS – 2017-19</p> <p>88% RECOMMENDATIONS COMPLETED – FIVE AUDITS</p>	

OPERATING BUDGET

▶ STAFF COUNTS

Full-time-equivalent	2022/23 Budget FTE	2023/24 Planned Change (+/-)	2023/24 Budget FTE
Full-time	9.6	-	9.6
Seasonal, Casual & Term	-	-	-
Total	9.6	-	9.6

OPERATING BUDGET

► OVERVIEW

Summary of Expenditures & Revenue				
Expenditures	2021/22 Actual	2022/23 Budget	2022/23 Projections*	2023/24 Budget
Compensation and Benefits	\$ 957,965	\$ 1,025,600	\$ 960,500	\$ 1,073,300
Office	54,344	31,200	35,900	32,900
External Services	5,497	44,000	177,900	33,100
Equipment & Communications	441	1,000	1,000	1,000
Other Goods & Services	28,215	46,000	34,300	55,400
Interdepartmental	110			
Recovery	(5,917)			
Total 2022-23 OAG Budget Request	\$ 1,040,655	\$ 1,147,800	\$ 1,209,600	\$ 1,195,700

**Includes approved one-time funding from Reserve of \$100,000*

- **2023/24 INCREASE FROM 2022/23 BUDGET IS \$47,900**
- **4.2% INCREASE FROM 2022/23 BUDGET**

OPERATING BUDGET

► **SUMMARY OF CHANGES**

Budget Change Summary – Office of the Auditor General

Change Description / Service Impact	Amount
Regional Council Approved 2022/23 Budget	\$ 1,147,800
Compensation Changes:	
Salary Adjustments	47,700
Other Budget Adjustments:	
Office	1,700
External Services	(10,900)
Other Goods & Services	9,400
Total Proposed Changes	\$ 47,900
Proposed 2023/24 Budget	\$ 1,195,700

Questions?

