



P.O. Box 1749  
Halifax, Nova Scotia  
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**Item No. 6.2**  
**Budget Committee**  
**January 31, 2024**

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

**SUBMITTED BY:** -ORIGINAL SIGNED-  
\_\_\_\_\_  
Andrew Atherton, Auditor General, 902.490.8407

**DATE:** January 24, 2024

**SUBJECT:** **Proposed 2024/25 Auditor General Budget and Business Plan**

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**ORIGIN**

As per Administrative Order 1 and the Budget and Business Plan consultation schedule presented to Regional Council on October 3, 2023, staff are required to present the draft 2024/25 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 2024/25 Budget and Business Plan, as set out and discussed in the accompanying plan and supporting presentation, into the Draft 2024/25 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 plans to advance these outcomes.

As part of the design of the 2024/25 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.

This recommendation does not include the addition/removal of any proposed Budget Adjustment List options.

## **DISCUSSION**

Staff has prepared the proposed 2024/25 Auditor General Budget and Business Plan consistent with the 2021- 2025 Strategic Priorities Plan approved on December 1, 2020, as well as budget outlook provided on November 28, 2023.

Following direction from the Budget Committee, staff will proceed to prepare the detailed Budget and Business Plan for inclusion in the proposed 2024/25 HRM Budget and Business Plan documents to be presented to Regional Council's Budget Committee, as per the process and schedule approved on October 3, 2023.

## **FINANCIAL IMPLICATIONS**

The recommendations in this report will lead to the development of a proposed 2024/25 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 associated with this report, 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.

Enterprise risks are reviewed as part of the strategic planning process and mitigating initiatives incorporated into business planning activities to reduce or eliminate the impact and likelihood of the risk occurring.

## **COMMUNITY ENGAGEMENT**

The 2024/25 budget process seeks to solicit public comment by inviting members of the public to provide feedback prior to each business unit budget and business plan presentation.

**ENVIRONMENTAL IMPLICATIONS**

No environmental implications were identified.

**ALTERNATIVES**

Budget Committee could choose to amend the Budget and Business Plan as proposed in the supporting presentation through specific motion and direct the Chief Administrative Officer to prepare the Budget and Business Plan for inclusion in the proposed 2024/25 HRM Budget and Business Plan documents.

**ATTACHMENTS**

Attachment 1 – 2024/25 Auditor General Proposed Budget and Business Plan

Attachment 2 - 2024/25 Office of the Auditor Proposed Budget and Business Plan 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: Katie Chaulk, Communications Coordinator & Office Administrator, Office of the Auditor General, 902.490.8407

-ORIGINAL SIGNED-

Report Approved by: \_\_\_\_\_  
Andrew Atherton, Auditor General, 902.490.8407

AUDITOR  
GENERAL

Halifax Regional Municipality

# OFFICE OF THE AUDITOR GENERAL

2024/25 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 work plan 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	
<b>Approved 2023/24 FTEs:</b>	9.6
Transferred Positions:	-
New Positions:	-
Capital Changes:	-
Total Changes	-
<b>Total Budgeted 2024/25 FTEs</b>	<b>9.6</b>

## BUDGET

### SERVICE AREA BUDGET OVERVIEW

Service Area	2022/23	2023/24	2023/24	2024/25		Δ %
	Actual	Budget	Projections	Budget	Δ 23/24 Budget	
Office of the Auditor General	1,163,463	1,195,700	1,183,255	1,228,600	32,900	3%
<b>Net Total</b>	<b>\$ 1,163,463</b>	<b>\$ 1,195,700</b>	<b>\$ 1,183,255</b>	<b>\$ 1,228,600</b>	<b>\$ 32,900</b>	

## SUMMARY OF EXPENDITURE AND REVENUE

Summary of Expenditures & Revenue						
Expenditures	2022/23	2023/24	2023/24	2024/25		Δ %
	Actual	Budget	Projections	Budget	Δ 23/24 Budget	
Compensation and Benefits	\$ 946,856	\$ 1,073,300	\$ 1,019,255	\$ 1,119,000	\$ 45,700	4%
Office	25,648	32,900	25,200	25,800	(7,100)	-22%
External Services	159,362	33,100	31,800	32,000	(1,100)	-3%
Equipment & Communications	-	1,000	1,000	1,000	-	0%
Other Goods & Services	31,596	55,400	106,000	50,800	(4,600)	-8%
<b>Total Expenditures</b>	<b>1,163,463</b>	<b>1,195,700</b>	<b>1,183,255</b>	<b>1,228,600</b>	<b>32,900</b>	<b>3%</b>

## OPERATING – SUMMARY OF CHANGES

Change Description / Service Impact	Amount
<b>Approved 2023/24 Budget</b>	<b>\$ 1,195,700</b>
Compensation Changes:	
Salary & Benefits	45,700
Other Budget Adjustments:	
Office	(7,100)
External Services	(1,100)
Staff Training & Membership	(4,600)
<b>Total Proposed Changes</b>	<b>\$ 32,900</b>
<b>2024/25 Budget</b>	<b>\$ 1,228,600</b>

# OFFICE OF THE ▶ AUDITOR GENERAL

2024/25 Budget  
Committee of the Whole on Budget  
January 31, 2024

## OUR MISSION, VISION AND VALUES

### Our Values

#### Integrity

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

#### Objectivity

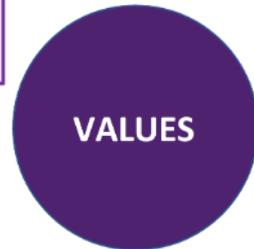
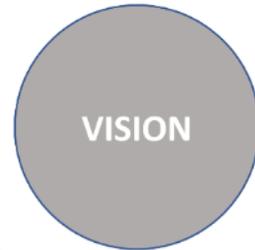
We are independent from management of the entities we audit and impartial in our assessments.

#### 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



# 2023/24 SNAPSHOT

<p><b>UNDER</b> BUDGET FOR <b>2023-24</b></p> 	<p><b>2024-25 AUDIT WORK PLAN</b></p> <p>IN DEVELOPMENT (April 2024)</p>	<p><b>FULLY STAFFED</b></p> <p>Auditor General <b>VACANCY</b> Sept-Dec 2023</p> 
<p><b>AUDIT REPORTS</b></p>  <b>2</b> RELEASED <b>1</b> TO BE RELEASED IN MARCH <b>3</b> AUDITS IN PROGRESS	<p><b>FOLLOW-UP</b></p> <p>FOUR 2021-22 AUDITS <b>63%</b> RECOMMENDATIONS COMPLETED</p>  REVIEW OF <b>OUTSTANDING RECOMMENDATIONS</b> TWO 2019 AUDITS <b>50%</b> OUTSTANDING RECOMMENDATIONS COMPLETED	

# OPERATING BUDGET

## ▶ STAFF COUNTS

<b>Full-time-equivalent</b>	<b>2023/24 Budget FTE</b>	<b>2024/25 Planned Change (+/-)</b>	<b>2024/25 Budget FTE</b>
Full-time	9.6	-	9.6

## OPERATING BUDGET

### ► OVERVIEW

<b>Summary of Expenditures &amp; Revenue</b>				
<b>Expenditures</b>	<b>2022/23 Actual</b>	<b>2023/24 Budget</b>	<b>2023/24 Projections</b>	<b>2024/25 Budget</b>
Compensation and Benefits	\$ 946,856	\$ 1,073,300	\$ 1,019,255	\$ 1,119,000
Office	25,648	32,900	25,200	25,800
External Services	159,362	33,100	31,800	32,000
Equipment & Communications	-	1,000	1,000	1,000
Other Goods & Services	31,596	55,400	106,000	50,800
<b>Total Expenditures</b>	<b>1,163,463</b>	<b>1,195,700</b>	<b>1,183,255</b>	<b>1,228,600</b>

- 2024/25 INCREASE FROM 2023/24 BUDGET IS \$32,900
- 3% INCREASE FROM 2023/24 BUDGET

**OPERATING BUDGET**

► **SUMMARY OF CHANGES**

<b>Budget Change Summary – Office of the Auditor General</b>	
<b>Change Description / Service Impact</b>	<b>Amount</b>
<b>Regional Council Approved 2023/24 Budget</b>	<b>\$ 1,195,700</b>
Compensation Changes:	
Salary & Benefits	45,700
Other Budget Adjustments:	
Office	(7,100)
External Services	(1,100)
Staff Training & Membership	(4,600)
<b>Total Proposed Changes</b>	<b>\$ 32,900</b>
<b>2024/25 Budget</b>	<b>\$ 1,228,600</b>

Questions?

