

HALIFAX

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Item No. 8
Budget Committee
February 3, 2021

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

SUBMITTED BY: Original Signed

Evangeline Colman-Sadd, Auditor General

DATE: February 3, 2021

SUBJECT: Proposed 2021/22 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 December 1, 2020, staff is required to present the draft 2021/22 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 proposed 2021/22 Budget and Business Plan, as set out and discussed in the February 3, 2021 staff report and supporting presentation by staff, into the Draft 2021/22 Operating Budget.

BACKGROUND

At the Dec 1, 2020 Budget Committee meeting, Regional Council confirmed the 2021- 2025 Strategic Priorities Plan and directed the CAO to proceed to prepare the 2021/22 Budget and Business Plan in support of Council's Priority Outcomes.

As part of the design of the 2021/22 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 2021/22 Office of the Auditor General Budget and Business Plan consistent with the 2021- 2025 Strategic Priorities Plan approved on December 1, 2020.

Following direction from the Budget Committee, staff will proceed to prepare the detailed Budget and Business Plan for inclusion in the proposed 2021/22 HRM Budget and Business Plan documents to be presented to Regional Council's Committee of the Whole, as per the process and schedule approved.

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 2021/22 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.

COMMUNITY ENGAGEMENT

The 2021/22 Municipal Budget Engagement Survey was conducted from November 5, 2020 – Dec 14, 2020. This on-line survey was available to all HRM residents and received 4,312 responses to a variety of budget, planning, and priorities questions. The results of the 2020 Municipal Budget Survey were provided in an information report presented to Regional Council on January 26, 2021.

The 2021/22 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

None

ALTERNATIVES

The Budget Committee can choose to amend the Budget and Business 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 2021/22 HRM Budget and Business Plan documents.

ATTACHMENTS

Attachment 1 – Office of the Auditor General 2021/22 Draft Budget and Business Plan

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

Report Approved by: Original Signed

Evangeline Colman-Sadd, Auditor General, 902.490.8407

AUDITOR
GENERAL


Halifax Regional Municipality

OFFICE OF THE AUDITOR GENERAL

2021/22 BUDGET AND BUSINESS PLAN

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

OFFICE OF THE AUDITOR GENERAL

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>

FUNDED FULL TIME EQUIVALENTS (FTES)

Full Time Equivalent	2020/21 Budget	Change (+/-)	2021/22 Budget
Full Time	9.6	-	9.6
Seasonal, Casual and Term	-	-	-
Total	9.6	-	9.6

Includes full & part-time and permanent positions. Calculated value based on the normal working hours of each position.

OFFICE OF THE AUDITOR GENERAL BUDGET

OPERATING - BUDGET BY SERVICE AREA

Service Area	2019/20	2020/21	2020/21	2020/21	2021/22	2021/22	June	March
	Actual	March Budget	June Budget	Projections	Budget	Δ 2020/21 June Budget	Budget Δ %	Budget Δ %
G100 Office of the Auditor General	\$ 980,656	\$ 1,126,900	\$ 1,074,900	\$ 996,151	\$ 1,140,800	\$ 65,900	5.8	1.2
Net Total	\$ 980,656	\$ 1,126,900	\$ 1,074,900	\$ 996,151	\$ 1,140,800	\$ 65,900	5.8	1.2

Note: "March Budget" is the pre COVID budget presented to Council and was not adopted. "June Budget" is the recast budget for COVID that Regional Council approved as the 2020/21 budget.

OPERATING - SUMMARY OF CHANGES - PROPOSED BUDGET

Change Description / Service Impact	Amount
Approved 2020/21 June Budget	\$ 1,074,900
Compensation Changes:	
Salary Adjustments	64,200
Other Budget Adjustments:	
External services	1,900
Other Goods & Services	(200)
Total Proposed Changes	\$ 65,900
Proposed 2021/22 Budget	\$ 1,140,800

OPERATING- SUMMARY OF EXPENDITURE & REVENUE

Expenditures	2019/20	2020/21	2020/21	2020/21	2021/22	2021/22	June	March
	Actual	March Budget	June Budget	Projections	Budget	Δ 2020/21 June Budget	Budget Δ %	Budget Δ %
Compensation and Benefits	\$ 915,714	\$ 1,032,000	\$ 980,000	\$ 909,701	\$ 1,044,200	\$ 64,200	6.2	1.2
Office	29,313	37,700	37,700	46,100	37,700	-	-	-
External Services	7,603	9,000	9,000	18,500	10,900	1,900	21.1	21.1
Equipment & Communications	451	1,000	1,000	500	1,000	-	-	-
Other Goods & Services	27,491	47,200	47,200	21,350	47,000	(200)	(0.4)	(0.4)
Total Expenditures	980,656	1,126,900	1,074,900	996,151	1,140,800	65,900	5.8	1.2