

P.O. Box 1749 Halifax, Nova Scotia B3J 3A5 Canada

Item No. 7 (i) Committee of the Whole January 13, 2016

| TO: | Mayor Savage and Members of Halifax Regional Council | | | |
|---------------|--|--|--|--|
| | Original Signed | | | |
| SUBMITTED BY: | Larry E. Munroe, FCA Auditor General | | | |
| DATE: | January 13, 2016 | | | |
| SUBJECT: | Proposed 2016/17 Office of the Auditor General Budget Plan | | | |

ORIGIN

As per Administrative Order 1 and the Budget and Business Plan consultation schedule presented in the Information Report of September 22, 2015, staff is required to present the 2016/17 draft Business Unit Budget and Business Plans to the Committee of the Whole 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 Committee of the Whole direct staff to proceed to prepare the 2016/2017 Office of the Auditor General Budget as proposed in the accompanying presentation, incorporating additional direction provided by motion of Committee of the Whole for inclusion in the proposed HRM 16/17 Budget and Business Plan documents.

BACKGROUND

As part of the design of the 2016/2017 Budget and Business Plan development process, the Committee of the Whole is reviewing each Business Unit's high level budget and proposed plans in advance of detailed HRM Budget and Business Plan preparation.

At the November 24, 2015 Committee of the Whole Regional Council considered and confirmed their Council Priority Outcomes and directed staff to: "develop the 2016/17 Budget and Business Plans in support of these priorities."

DISCUSSION

Staff has prepared the proposed 16/17 Budget consistent with the preliminary fiscal direction received from Council on October 20, 2015 and aligned with Council Priorities as directed on November 24, 2015.

Following direction from the Committee of the Whole, staff will proceed to prepare the detailed Budget and Business Plan for inclusion in the proposed HRM 2016/17 Budget and Business Plan documents to be presented to Council, as per the process and schedule in the September 22, 2015 Information Report.

FINANCIAL IMPLICATIONS

The recommendations in this report will lead to the development of a proposed budget for 2016-17. 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.

COMMUNITY ENGAGEMENT

None are specifically associated with this report.

ENVIRONMENTAL IMPLICATIONS

None

ALTERNATIVES

The Committee of the Whole 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 HRM Budget and Business Plan documents.

ATTACHMENTS

Office of the Auditor General 2016 - 2017 Budget Presentation

A copy of this report can be obtained online at http://www.halifax.ca/council/agendasc/cagenda.php then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: David Marr - Senior Associate, Office of the Auditor General 902.240.2492

Original Signed

Report and Financial Approval by:

Amanda Whitewood, Director of Finance & ICT/CFO, 902.490.6308

ΗΛLΙΓΛΧ

2016/17 Office of the Auditor General Draft Budget

Committee of the Whole

January 13, 2016

OAG Overview

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.



2016/17 Office of the Municipal Auditor General Draft Budget

OAG Overview

- Eight major reviews completed or underway for 2015/16
- 34 reports 600+ recommendations since the office was established
- Follow-up process now underway for previously released reviews
- □ Two additional Associates hired in 2015/16
- Annual Report presented to Regional Council
 - □ Next report May/June 2016
 - □ Previous years available online





AUDITOR GENERAL

Office of the Auditor General Halifax Regional Municipality

iod Ended March 31, 2015

ΗΛLIFΛΧ

Operating Budget Overview

| Total | 865,000 | 699,674 | 965,100 | 806,700 | 946,000 |
|----------------------------|---------|---------|---------|---------------|----------|
| | | | | | |
| Other Goods & Services | 37,000 | 28,144 | 39,000 | 25,000 | 33,000 |
| Equipment & Communications | 2,000 | 3,722 | 2,000 | 1,000 | 2,000 |
| External Services | 11,000 | 8,512 | 11,600 | 7,500 | 8,600 |
| Office | 14,000 | 14,996 | 14,000 | 10,000 | 13,500 |
| Compensation and Benefits | 801,000 | 644,300 | 898,500 | 763,200 | 888,900 |
| Expenditures | Budget | Actual | Budget | Q3 Projection | Proposed |
| Cost Element Groups | 2014 | -15 | 2015-16 | | 2016-17 |

ΗΛLIFΛΧ

2016/17 Office of the Municipal Auditor General Draft Budget

Staff Counts (FTE Positions)

| | 2013/14 FTEs | 2015/16 FTEs | 2016/17 FTEs |
|-------------------------------|--------------|--------------|--------------|
| | | | |
| Office of the Auditor General | 7 | 10 | 9 |
| Vacancies | 3 | 2 | 1 |



2016/17 Office of the Municipal Auditor General Draft Budget