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Item No. 7
Budget Committee
February 26, 2025

TO: Mayor Fillmore and Members of Halifax Regional Council

FROM: Andrew Atherton, Auditor General

DATE: February 19, 2025

SUBJECT: **Proposed 2025/26 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 19, 2024, staff are required to present the draft 2025/26 Business Unit Budget and Business Plans to the Budget Committee for review and discussion prior to consideration by Regional Council.

RECOMMENDATION

That the Budget Committee:

1. Direct the staff to incorporate the Auditor General proposed 2025/26 Budget and Business Plan, as set out and discussed in the accompanying plan and supporting presentation, into the Draft 2025/26 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 2025/26 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 2025/26 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 2025/26 HRM Budget and Business Plan documents to be presented to Regional Council's Budget Committee, as per the process and schedule approved on November 19, 2024.

FINANCIAL IMPLICATIONS

The recommendations in this report will lead to the development of a proposed 2025/26 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 2025/26 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 2025/26 HRM Budget and Business Plan documents.

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.

ATTACHMENTS

Attachment 1 – 2025/26 Auditor General Proposed Budget and Business Plan

Attachment 2 – 2025/26 Office of the Auditor Proposed Budget and Business Plan Presentation

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

Report Approved by: Andrew Atherton, Auditor General, 902.490.8407

AUDITOR
GENERAL

Halifax Regional Municipality

OFFICE OF THE AUDITOR GENERAL

2025/26 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		
Approved 2024/25 FTEs:		9.6
New Positions:		
Position	Rational	Count
Transferred Positions:		
Net Transfer Positions		
Total Changes		-
Total Budgeted 2025/26 FTEs		9.6

BUDGET

SERVICE AREA BUDGET OVERVIEW

Service Area Budget Overview						
Service Area	2023/24 Actual	2024/25 Budget	2024/25 Projections	Budget	2025/26 Δ 24/25 Budget	Δ %
Office of the Auditor General	\$ 1,148,034	\$ 1,228,600	\$ 1,098,740	\$ 1,342,200	\$ 113,600	9.2
Net Total	\$ 1,148,034	\$ 1,228,600	\$ 1,098,740	\$ 1,342,200	\$ 113,600	9.2

SUMMARY OF EXPENDITURE AND REVENUE

Summary of Expenditures & Revenue						
Expenditures	2023/24 Actual	2024/25 Budget	2024/25 Projections	Budget	2025/26 Δ 24/25 Budget	Δ %
Compensation and Benefits	\$ 1,004,770	\$ 1,119,000	\$ 1,003,940	\$ 1,195,600	\$ 76,600	6.8
Office	12,161	25,800	41,500	47,300	21,500	83.3
External Services	26,625	32,000	7,000	32,000	-	-
Equipment & Communications	-	1,000	1,000	1,000	-	-
Other Goods & Services	104,479	50,800	45,300	66,300	15,500	30.5
Total Expenditures	1,148,034	1,228,600	1,098,740	1,342,200	113,600	9.2

OPERATING – SUMMARY OF CHANGES

Change Description / Service Impact	Amount
Approved 2024/25 Budget	\$ 1,228,600
Inflation/Service Pressures	
Salary & Benefits	76,600
Office	21,500
Other Goods & Service s	15,500
Total Changes	\$ 113,600
2025/26 Budget	\$ 1,342,200

OFFICE OF THE ▶ AUDITOR GENERAL

2025/26 Budget
Committee of the Whole on Budget
February 26, 2025

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.

MISSION

Our Mission

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

VISION





Our Vision

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

VALUES



2024/25 SNAPSHOT

<p>UNDER BUDGET FOR 2024-25</p> 	<p>2025-26 AUDIT WORK PLAN IN DEVELOPMENT (April 2025)</p>	<p>90% STAFFED</p> <p>Auditor VACANCY February 2025</p> 
<p>AUDIT REPORTS</p>  <p>4 RELEASED 3 REPORTS IN PROGRESS</p>	<p>FOLLOW-UP ONE 2022 AUDIT</p> <p>33% RECOMMENDATIONS COMPLETED</p>  <p>REVIEW OF OUTSTANDING RECOMMENDATIONS TWO 2019-20 AUDITS</p> <p>50% OUTSTANDING RECOMMENDATIONS COMPLETED</p> <p>1 FOLLOW-UP REPORT IN PROGRESS</p>	

OPERATING BUDGET

▶ STAFF COUNTS

Full-time-equivalent	2024/25 Budget FTE	2025/26 Planned Change (+/-)	2025/26 Budget FTE
Full-time	9.6	-	9.6

OPERATING BUDGET

► OVERVIEW

Summary of Expenditures & Revenue				
Expenditures	2023/24 Actual	2024/25 Budget	2024/25 Projections	2025/26 Budget
Compensation and Benefits	\$ 1,004,770	\$ 1,119,000	\$ 1,003,940	\$ 1,195,600
Office	12,161	25,800	41,500	47,300
External Services	26,625	32,000	7,000	32,000
Equipment & Communications	1,000	1,000	1,000	1,000
Other Goods & Services	50,800	50,800	45,300	66,300
Total Expenditures	1,148,034	1,228,600	1,098,740	1,342,200

- 2025/26 INCREASE FROM 2024/25 BUDGET IS \$113,600
- 9.2% INCREASE FROM 2024/25 BUDGET

OPERATING BUDGET

► **SUMMARY OF CHANGES**

Budget Change Summary – Office of the Auditor General	
Change Description / Service Impact	Amount
Regional Council Approved 2024/25 Budget	\$ 1,228,600
Compensation Changes:	
Salary & Benefits	76,600
Other Budget Adjustments:	
Office	21,500
Staff Training & Membership	15,500
Total Proposed Changes	\$ 113,600
2025/26 Budget	\$ 1,342,200

Questions?

