

**Budget Request Overview
 Budget Committee**

(December 16, 19, 20 & 21, 2016)

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PART I: 2017 OPERATING BUDGET

Executive Summary

- This Budget Request Overview presents the requests of the four (4) Accountability Officers' 2017 Operating Budget and acts as a reference document to accompany the 2017 Operating Budget Request reports that are being submitted by the Offices of the Auditor General, Integrity Commissioner, Lobbyist Registrar and Ombudsman. The Auditor General's request has been submitted to Audit Committee on October 28, 2016 and is being transmitted to Budget Committee by Audit Committee (<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.AU7.6>). This Overview reflects the Auditor General's budget submission to the Audit Committee.
- The Accountability Officers are independent from the City's Administration and are officers of City Council.
- The Operating Budget Requests of the 4 Accountability Officers have been consolidated into one Budget for purposes of inclusion in the corporate Operating Budget summary for the City of Toronto.
- Each Accountability Officer is accountable for their own budgets, separate from one another and pursuant to their legal mandates.

The Accountability Offices' 2017 Budget Requests is \$8,443.1 thousand gross and net.

	Gross (\$000s)	Net (\$000s)
Auditor General's Office	4,902.4	4,902.4
Office of the Integrity Commissioner	576.6	576.6
Office of the Lobbyist Registrar	1,154.0	1,154.0
Ombudsman Toronto	1,810.1	1,810.1
Total 2017 Budget Request	8,443.1	8,443.1

- The Budget Requests incorporate budget reductions and new/enhanced requests, comprised of the following:

The 2017 Base Budget Requests of \$8,667.0 thousand gross and net:

	Gross (\$000s)	Net (\$000s)
Auditor General's Office	5,119.4	5,119.4
Office of the Integrity Commissioner	506.6	506.6
Office of the Lobbyist Registrar	1,168.7	1,168.7
Ombudsman Toronto	1,882.3	1,882.3
Total 2017 Base Budget	8,677.0	8,677.0

The 2017 Budget Reductions of \$303.9 thousand gross and net:

	Gross (\$000s)	Net (\$000s)	% of 2016 Net Budget
Office of the Auditor General	(217.0)	(217.0)	(4.3%)
Office of the Lobbyist Registrar	(14.7)	(14.7)	(1.3%)
Ombudsman Toronto	(72.2)	(72.2)	(3.9%)
Total 2017 Budget Reductions	(303.9)	(303.9)	(3.6%)

The 2017 New/Enhanced Request of \$0.070 thousand gross and net:

	Gross (\$000s)	Net (\$000s)
Office of the Integrity Commissioner	70.0	70.0
Total 2017 New/Enhanced	70.0	70.0

Table 1: 2017 Budget Requests

Table 1: 2017 Budget Request

(In \$000s)	2016		2017 Budget				Change - 2017 Total Submission v. 2016 Appvd. Budget		FY Incremental Outlook	
	2016 Appvd. Budget	2016 Projected Actual*	2017 Base Budget	2017 Budget Reduction	2017 New/Enhanced	2017 Total Budget Request	\$	%	2018	2019
	\$	\$	\$	\$	\$	\$				
GROSS EXP.										
Auditor General's Office	5,033.3	5,033.3	5,119.4	(217.0)	0.0	4,902.4	(130.9)	(2.6)	150.5	130.4
Office of the Integrity Commissioner	484.8	469.8	506.6	0.0	70.0	576.6	91.7	18.9	16.9	15.4
Office of the Lobbyist Registrar	1,156.3	1,066.3	1,168.7	(14.7)	0.0	1,154.0	(2.3)	(0.2)	48.7	29.8
Ombudsman Toronto	1,834.0	1,824.0	1,882.3	(72.2)	0.0	1,810.1	(23.8)	(1.3)	129.9	45.8
	8,508.3	8,393.3	8,677.0	(303.9)	70.0	8,443.1	(65.3)	(0.8)	346.0	221.4
REVENUE										
Auditor General's Office	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.0	0.0
Office of the Integrity Commissioner	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.0	0.0
Office of the Lobbyist Registrar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.0	0.0
Ombudsman Toronto	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.0	0.0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.0	0.0
NET EXP.										
Auditor General's Office	5,033.3	5,033.3	5,119.4	(217.0)	0.0	4,902.4	(130.9)	(2.6)	150.5	130.4
Office of the Integrity Commissioner	484.8	469.8	506.6	0.0	70.0	576.6	91.7	18.9	16.9	15.4
Office of the Lobbyist Registrar	1,156.3	1,066.3	1,168.7	(14.7)	0.0	1,154.0	(2.3)	(0.2)	48.7	29.8
Ombudsman Toronto	1,834.0	1,824.0	1,882.3	(72.2)	0.0	1,810.1	(23.8)	(1.3)	129.9	45.8
	8,508.3	8,393.3	8,677.0	(303.9)	70.0	8,443.1	(65.3)	(0.8)	346.0	221.4
Approved Positions										
Auditor General's Office	31.5	30.0	31.5	0.5	0.0	32.0	0.5	1.6	0.0	0.0
Office of the Integrity Commissioner	3.0	3.0	3.0	0.0	0.0	3.0	0.0	0.0	0.0	0.0
Office of the Lobbyist Registrar	8.3	8.0	8.3	0.0	0.0	8.3	0.0	0.0	0.0	0.0
Ombudsman Toronto	12.0	15.0	12.0	0.0	0.0	12.0	0.0	0.0	0.0	0.0
	54.8	56.0	54.8	0.5	0.0	55.3	0.5	0.9	0.0	0.0

* Based on Q3 Corporate Variance Report forecast figures.

- The 2017 Operating Budget Request for the four (4) Accountability Officers totalling \$8,443.1 thousand net comprises a base budget request of \$8,677.0 thousand net, budget reductions of \$303.9 thousand net and a new/enhanced request of \$70.0 thousand net.
 - The Auditor General's Office 2017 budget request of \$4,902.4 thousand net, includes:
 - Base budget pressures of \$86.1 thousand including the annualization impact of two new audit positions approved in 2016, provision for progression pay increases, cost-of-living adjustments (COLA) and benefit adjustments, and economic factor adjustments for non-payroll items. This is offset by budget to actual adjustments to salary approved in 2016.

- Budget reduction of \$217.0 thousand net.

These result in a decrease of \$130.9 thousand or -2.6% from the 2016 Approved Adjusted Operating Budget of \$5,033.3 thousand net.

- The Office of the Integrity Commissioner 2017 budget request of \$576.6 thousand net, includes:

- Base budget pressures of \$21.7 thousand net, which include:

- Budgetary provisions for progression pay increases, cost-of-living adjustments (COLA) and benefit adjustments and economic factor adjustments for non-payroll items. This is partially offset by salary budget to actual adjustments.

- New/enhancement request of \$70.0 thousand.

These result in an increase of \$91.7 thousand or 18.9% from the 2016 Approved Operating Budget of \$484.8 thousand net.

- The Office of the Lobbyist Registrar 2017 budget request of \$1,154.0 thousand net, includes:

- Base budget pressures of \$12.4 thousand net, which include budgetary provision for progression pay increases, cost-of-living adjustments (COLA) and benefit adjustments, and economic factor adjustments for non-payroll items. This is partially offset by salary budget to actual adjustments.

- Budget reduction of \$14.7 thousand net.

These result in a decrease of \$2.3 thousand or -0.2% from the 2016 Approved Operating budget of \$1,156.3 thousand.

- The Ombudsman Toronto 2017 budget request of \$1,810.1 thousand net, includes:

- Base budget pressures of \$48.3 thousand net, which include:

- Budgetary provisions for progression pay increases, cost-of-living adjustments (COLA) and benefit adjustments, and economic factor adjustments for non-payroll items. These are partially offset by salary budget to actual adjustments.

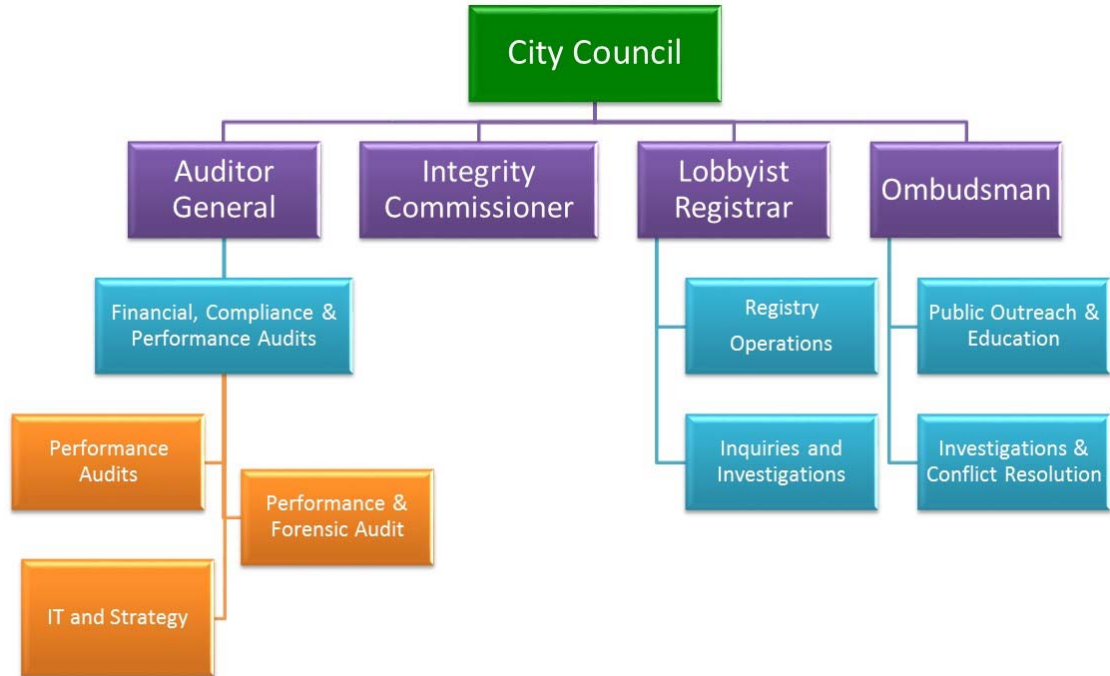
- Budget reduction of \$72.2 thousand net.

These result in a decrease of \$23.8 thousand or -1.3% from the 2016 Approved Operating Budget of \$1,834.0 thousand net.

- If the Budget Committee adopts the 2017 budget requests for the Accountability Offices, the budget outlook will increase by \$346.0 thousand net in 2018 and \$221.4 thousand net in 2019 to maintain the requested 2017 service level. The outlook includes budgetary provision for progression pay increase and cost-of-living adjustments (COLA) in accordance with employment agreements and corporate policies for non-union staff and economic factor adjustments for non-payroll items.

PART II: REPORTING RELATIONSHIPS OF THE ACCOUNTABILITY OFFICERS

- The Accountability Officers are independent from the City's Administration and are officers of City Council.



- Each Accountability Officer is accountable for their own budgets, separate from one another and pursuant to their legal mandates.

PART III: 2017 BASE BUDGET SUMMARY

Auditor General's Office

(In \$000s)	2016 Appvd. Adj. Budget	2017 Base Budget	Change - 2017 Base Budget vs. 2016 Appvd. Budget		FY Incremental Base Outlook	
					2018	2019
	\$	\$	\$	%	\$	\$
GROSS EXP.	5,033.3	5,119.4	86.1	1.7	144.0	124.2
REVENUE	0.0		0.0	NA		
NET EXP.	5,033.3	5,119.4	86.1	1.7	144.0	124.2
Approved Positions	31.5	31.5	0.0	0.0	31.5	31.5

The Auditor General's Office 2017 base budget request of \$5,119.4 thousand net represents an increase of \$86.1 thousand or \$1.7% from 2016 Approved Operating Budget of \$5,033.3 thousand net.

The major drivers for the base budget increases are:

- Progression pay increases or re-earnable performance pay for staff who have reached the wage grade maximum, cost-of-living adjustment (COLA) and benefit adjustments for a total of \$154.2 thousand.
- Economic factor adjustments and cost pressures for non-payroll items for a total of \$2.9 thousand.
- Annualization impact of two new audit positions (Senior Audit Manager and Audit Manager) approved during the 2016 budget process for \$59.2 thousand.

The increases are partially offset by budget to actual adjustments to salary & benefits costs of \$130.2 thousand.

There is no change in approved positions as a result of the 2017 Base Budget.

Office of the Integrity Commissioner

(In \$000s)	2016 Appvd. Adj. Budget	2017 Base Budget	Change - 2017 Base Budget vs. 2016 Appvd. Budget		FY Incremental Base Outlook	
					2018	2019
	\$	\$	\$	%	\$	\$
GROSS EXP.	484.8	506.6	21.7	4.5	16.9	15.4
REVENUE	0.0	0.0	0.0	NA	0.0	0.0
NET EXP.	484.8	506.6	21.7	4.5	16.9	15.4
Approved Positions	3.0	3.0	0.0	0.0	3.0	3.0

The Office of the Integrity Commissioner's 2017 base budget request of \$506.6 thousand net represents an increase of \$21.7 thousand or 4.5% from the 2016 Approved Operating Budget of \$484.8 thousand net.

The major drivers for the base budget increase are:

- Progression pay increase, cost-of-living adjustment (COLA) and benefit adjustments of \$27.6 thousand
- Economic factor adjustments for non-payroll items of \$0.3 thousand

The budget pressures are partially offset by budget to actual adjustments to salary & benefits costs of \$6.2 thousand.

There is no change in approved positions as a result of the 2017 Base Budget.

Office of the Lobbyist Registrar

(In \$000s)	2016 Appvd. Adj. Budget	2017 Base Budget	Change - 2017 Base Budget vs. 2016 Appvd. Budget		FY Incremental Base Outlook	
					2018	2019
	\$	\$	\$	%	\$	\$
GROSS EXP.	1,156.3	1,168.7	12.4	1.1	34.0	29.8
REVENUE	0.0	0.0	0.0	NA	0.0	0.0
NET EXP.	1,156.3	1,168.7	12.4	1.1	34.0	29.8
Approved Positions	8.3	8.3	0.0	0.0	8.3	8.3

The Office of the Lobbyist Registrar's 2017 base budget request of \$1,168.7 thousand net represents an increase of \$12.4 thousand or 1.1% from the 2016 Approved Operating Budget of \$1,156.3 thousand net.

The major drivers for the base budget increase are:

- Progression pay increase increases or re-earnable performance pay for staff who have reached the wage grade maximum, cost-of-living adjustment (COLA) and benefit adjustments for a total of \$32.1 thousand
- Economic factor adjustments of \$1.5 thousand related to non-payroll items

The budget pressures are partially offset by budget to actual adjustments to salary and benefits costs of \$21.2 thousand.

There is no change in approved positions as a result of the 2017 Base Budget.

Ombudsman Toronto

(In \$000s)	2016 Appvd. Adj. Budget	2017 Base Budget	Change - 2017 Base Budget vs. 2016 Appvd. Budget		FY Incremental Base Outlook	
					2018	2019
	\$	\$	\$	%	\$	\$
GROSS EXP.	1,834.0	1,882.3	48.3	2.6	57.7	45.8
REVENUE	0.0	0.0	0.0	NA	0.0	0.0
NET EXP.	1,834.0	1,882.3	48.3	2.6	57.7	45.8
Approved Positions	12.0	12.0	0.0	0.0	12.0	12.0

Ombudsman Toronto's 2017 base budget request of \$1,882.3 thousand net represents an increase of \$48.3 thousand or 2.6% from the 2016 Approved Operating Budget of \$1,834.0 thousand net.

The major drivers for the base budget increase are:

- Progression pay increase increases or re-earnable performance pay for staff who have reached the wage grade maximum, cost-of-living adjustment (COLA) and benefit adjustments for a total of \$45.2 thousand
- Economic factor adjustments and budget pressures for non-payroll items of \$4.5 thousand

These budget pressures are partially offset by budget to actual adjustments to salary & benefits costs of \$1.4 thousand.

There is no change in approved positions as a result of the 2017 Base Budget.

2018 and 2019 Base Outlook: Net Incremental Impacts

The Base Outlooks are projected based on the Accountability Offices' Base Budget Requests. The Outlooks in Table 1 reflects the total budget requests for the Accountability Offices, including the impacts of budget reductions and new/enhanced request.

Approval of the 2017 Base Budget Request for the Accountability Officers will result in incremental cost of \$252.7 thousand net in 2018 and \$215.2 thousand net in 2019. Details of the future year costs are as follows:

Auditor General's Office

2018 Base Outlook totals \$144.0 thousand net

- Budgetary provisions of \$141.1 thousand for benefit adjustments, cost-of-living adjustment (COLA) at 1.25% and an average 2.65% progression pay increase for eligible staff or re-earnable performance pay for staff who have reached the salary range maximum per Corporate guidelines
- Economic factor adjustments of \$3.0 thousand for non-payroll items

2019 Base Outlook totals \$124.2 thousand net

- Budgetary provisions of \$120.8 thousand for benefit adjustments, cost-of-living adjustment (COLA) and progression increases/re-earnable performance pay for staff who have reached the salary range maximum
- Economic factor adjustments of \$3.4 thousand for non-payroll items.

Office of the Integrity Commissioner

2018 Base Outlook totals \$16.9 thousand net

- Budgetary provisions of \$16.6 thousand for benefit adjustments, cost-of-living adjustment (COLA) at 1.25% and an average 2.65% progression pay increase for eligible non-union staff per Corporate guidelines
- Economic factor adjustments of \$0.3 thousand related to non-payroll.

2019 Base Outlook totals \$15.4 thousand net

- Budgetary provisions of \$15.0 thousand for benefit adjustment, cost-of-living adjustment (COLA) and an average 2.65% progression pay increase for eligible non-union staff
- Economic factor adjustments of \$0.4 thousand related to non-payroll

Office of the Lobbyist Registrar

2018 Base Outlook totals \$34.0 thousand net

- Budgetary provisions of \$32.5 thousand for benefit adjustments, cost-of-living adjustment (COLA) at 1.25% and an average 2.65% progression pay increase for eligible non-union staff or re-earnable performance pay for staff who have reached the salary range maximum per Corporate guidelines.
- Economic factor adjustments of \$1.5 thousand for non-payroll items.

2019 Base Outlook totals \$29.8 thousand net

- Budgetary provisions of \$28.0 thousand for benefit adjustments, cost-of-living adjustment (COLA) and an average 2.65% progression pay increase for eligible non-union staff or re-earnable performance pay for staff who have reached the salary range maximum per Corporate guidelines.
- Economic factor adjustments of \$1.8 thousand related to non-payroll items

Ombudsman Toronto

2018 Base Outlook totals \$57.7 thousand net

- Budgetary provisions of \$53.1 thousand for benefit adjustments, cost-of-living adjustment (COLA) at 1.25% and an average 2.65% progression pay increase for eligible non-union staff or re-earnable performance pay for staff who have reached the salary range maximum per Corporate guideline
- Economic factor adjustments and cost pressures of \$4.6 thousand for non-payroll items.

2019 Base Outlook totals \$45.8 thousand net

- Budgetary provisions of \$40.4 thousand for benefit adjustments, cost-of-living adjustment (COLA) at 1.25% and an average 2.65% progression pay increase for eligible non-union staff or re-earnable performance pay for staff who have reached the salary range maximum per Corporate guidelines
- Economic factor adjustments and cost pressures of \$5.4 thousand for non-payroll items.

PART IV: 2017 BUDGET REDUCTIONS

At its meeting on July 12 to 16, 2016, City Council adopted *EX16.37- 2017 Budget Process – Budget Directions and Schedule* which includes:

- An across-the-board budget reduction target of -2.6% net below the 2016 Approved Net Operating Budgets for all City Programs, Agencies, Toronto Community Housing Corporation and Accountability Offices
- That the operating and capital guidelines....be applied to the Accountability Offices for the 2017 Budget Process.

Auditor General's Office

Under the *City of Toronto Act*, the Auditor General is responsible for assisting City Council in holding itself and City administrators accountable for the quality of stewardship over public funds and for achievement of value for money in city operations. The Auditor General provides impactful audits and recommendations to improve City operations and services.

Under the *Toronto Public Service Bylaw*, Chapter 192 of the Municipal Code, effective December 2015, the Auditor General is now responsible for investigating reprisals against employees under the *Disclosure of Wrongdoing and Reprisal Protection Provisions*. Reprisal is defined in the By-law as any measure taken as a direct result of disclosing or being suspected of disclosing an allegation of wrongdoing, and initiating or co-operating in an investigation into an alleged wrongdoing. Reprisal protection is very important to the effectiveness of the Fraud and Waste Hotline.

Although many fraud and waste investigations are conducted by management with the oversight of the Auditor General, certain investigations, such as those involving allegations against senior management, require the Auditor General to take a leadership role to ensure independence and protect the integrity of the investigation. In 2016 the Auditor General's Office increased the number of major investigations it led.

Given the expanded mandate and the need for more directly led investigations, and to meet the Council's 2017 directive to reduce operating budget, the Auditor General has undertaken steps to re-organize the staff resources to deliver her work within a reduced budget envelope.

The Auditor General's budget submission reflects a \$217.0 thousand decrease, or a 4.3% decrease from the 2016 Council Approved Budget, to meet the Council's 2017 operating budget directive. Work targets will be met by using resources more efficiently and re-organizing work. Changes include deleting a senior management position and converting senior management positions into junior positions on a permanent basis. These changes require an additional 0.5 full-time equivalent (FTE) increasing the total

staff complement from 31.5 positions in 2016 to 32.0 positions in 2017. The increase in staff complement can be achieved within the reduced 2017 budget.

Office of the Integrity Commissioner

The Office of the Integrity Commissioner submitted a budget reduction of \$0.0 thousand net. While cognizant of Council's 2017 budget direction, the Office of the Integrity Commissioner is unable to absorb its base budget pressures from its non-salary budget component available for spending to the Office. At current staffing levels (i.e. one Commissioner; one investigator; and, one intake and office assistant), the Office is challenged to fulfill its duties per the *City of Toronto Act, 2006* and Chapter 3 of the Municipal Code in a timely manner. Further, staff reductions would reverse *recent* commitments by City Council to adequately staff the Office. In 2014, City Council approved the establishment of a full time Commissioner. In 2015, City Council approved the addition of a single investigator. These enhancements have improved the capacity of the Office and must be maintained.

Finally, the Province has introduced legislation (Bill 68, "Modernizing Ontario's Municipal Legislation Act") that, if passed, will expand the scope of duties and obligations on the Integrity Commissioner. Preparing for the implementation of Bill 68, as well as continuing to fulfill existing duties, requires that the current resources be maintained. Bill 68, if passed, will expand the role of the Integrity Commissioner in several ways, including: receiving and dealing with *Municipal Conflict of Interest Act* complaints, bringing *Municipal Conflict of Interest Act* applications to Court, conducting investigations on the Commissioner's own motion into Code of Conduct or *Municipal Conflict of Interest Act* matters.

Office of the Lobbyist Registrar

Accommodating Council's 2017 operating budget direction and recognizing the City's fiscal constraints, the Office of the Lobbyist Registrar (OLR) submitted a budget reduction of \$14.7 thousand net or 1.3% of the 2016 Approved Budget. The reduction is one-time, and comprises the gapping of a 0.25 temporary administrative position in 2017, as well as a reduction in office supplies, and outreach-related expenses.

Registration, educational outreach, and enforcement continue to occupy much of the OLR's small team. The OLR provides training and support for registrants to achieve compliance, facilitates ongoing registrations, and undertakes enforcement measures, when required in the public interest. Ongoing enforcement activities include: summons to witness, summons of documents, investigations, and prosecutions under the Provincial Offences Act. The OLR's registrations have risen steadily over the years, and further increase in volume is anticipated.

Two enhancements to the OLR's enforcement powers will have significant impact on the OLR's operations in 2017. These are: 1) In 2016, Council expanded the OLR's

enforcement powers to include imposing temporary bans against lobbyists and/or imposing conditions on lobbyist registrations where the OLR has found breaches of the bylaw; and, 2) Bill 68 "Modernizing Ontario's Municipal Legislation Act", tabled by the Province of Ontario, proposes extensions to the statutory limitation period for prosecutions and allows for the imposition of administrative penalties. Resources are required to investigate complaints and enforce compliance in order for the OLR to meet its mandate.

Ombudsman Toronto

In recognition of Council's 2017 budget direction and the City's fiscal pressures, but also of the need for adequate resources to fulfil Ombudsman Toronto's essential mandate under the *City of Toronto Act, 2006* and increasing demands on its services, Ombudsman Toronto submitted a budget reduction of \$72.2 thousand net or 3.9% of the 2016 Approved Operating Budget. The budget reduction is one-time with decreases to non-payroll items including legal services, investigative expense and outreach-related expenses.

PART V: 2017 NEW REQUESTS

- ***Auditor General's Office***

There are no new requests for the Auditor General's Office.

- ***Office of the Integrity Commissioner.***

The Office of the Integrity Commissioner ("OIC") submitted an enhancement request of \$70.0 thousand net for legal and investigative expenses.

The Integrity Commissioner renews her 2016 request for external investigation and legal support but in recognition of the overall budget pressures faced by the City of Toronto and the 2017 budget direction, reduces the amounts requested and foregoes her request for an outreach coordinator. Establishing a budget for external support is necessary to protect the independence of the OIC and enable it to respond appropriately to high volumes or complex cases in a timely fashion. As described above, if Bill 68 is passed, external resources will also be required to prepare for the implementation of the Commissioner's new role.

Approval of this enhancement request will not impact the total complement of the OIC.

- ***Office of the Lobbyist Registrar***

There are no new requests for the Office of the Lobbyist Registrar.

- ***Ombudsman Toronto***

There are no new requests for Ombudsman Toronto.

Appendix A – 2016 Budget Variance Review

- The Accountability Officers' 2016 Operating Variance as of September projects a surplus of \$115.0 thousand at year-end from the total 2016 Approved Operating Budget of \$8,508.3 thousand.
- Auditor General's Office**

Auditor General's Office will be on budget from the 2016 Approved Adjusted Operating Budget of \$5,033.3 thousand.

Auditor General's Office (In \$000s)	2014 Actuals	2015 Actuals	2016 Approved Adj. Budget	2016 Projected Actuals*	2016 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	\$	%
Gross Expenditures	4,385.1	4,597.5	5,033.3	5,033.3	0.0	0.0
Revenues	0.0	0.0	0.0	0.0	0.0	0.0
Net Expenditures	4,385.1	4,597.5	5,033.3	5,033.3	0.0	0.0
Approved Positions	29.0	29.5	31.5	30.0	(1.5)	(4.8)

* Based on Q3 Corporate Variance Report forecast figures.

- The Office of the Integrity Commissioner**

The Office of the Integrity Commissioner projects a 2016 year-end expenditure surplus of \$15.0 thousand from the 2016 Approved Adjusted Operating Budget of \$484.8 thousand, mainly due to lower salary and benefit costs.

Office of Integrity Commissioner (In \$000s)	2014 Actuals	2015 Actuals	2016 Approved Adj. Budget	2016 Projected Actuals*	2016 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	\$	%
Gross Expenditures	347.9	364.7	484.8	469.8	(15.0)	(3.1)
Revenues	0.0	0.0	0.0	0.0	0.0	0.0
Net Expenditures	347.9	364.7	484.8	469.8	(15.0)	(3.1)
Approved Positions	2.0	3.0	3.0	3.0	0.0	0.0

* Based on Q3 Corporate Variance Report forecast figures.

- The Office of the Lobbyist Registrar**

The Office of the Lobbyist Registrar projects a 2016 year-end expenditure surplus of \$90.0 thousand from the 2016 Approved Adjusted Operating Budget of \$1,156.3 thousand, mainly due to lower spending in salary and benefit costs as a result of staff vacancy during the year.

Office of the Lobbyist Registrar (In \$000s)	2014 Actuals	2015 Actuals	2016 Approved Adj. Budget	2016 Projected Actuals*	2016 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	\$	%
Gross Expenditures	1,028.9	1,052.1	1,156.3	1,066.3	(90.0)	(7.8)
Revenues	0.0	0.0	0.0	0.0	0.0	0.0
Net Expenditures	1,028.9	1,052.1	1,156.3	1,066.3	(90.0)	(7.8)
Approved Positions	8.3	8.3	8.3	8.0	(0.3)	(3.0)

* Based on Q3 Corporate Variance Report forecast figures.

Ombudsman Toronto

Ombudsman Toronto projects a 2016 year-end expenditure surplus of \$10.0 thousand from the 2016 Approved Adjusted Operating Budget of \$1,834.0 thousand, mainly due to lower spending in services and rents as well as salaries and benefits.

Ombudsman Toronto (In \$000s)	2014 Actuals	2015 Actuals	2016 Approved Adj. Budget	2016 Projected Actuals*	2016 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	\$	%
Gross Expenditures	1,642.6	1,737.9	1,834.0	1,824.0	(10.0)	(0.5)
Revenues	(5.8)	(0.2)	0.0	0.0	0.0	0.0
Net Expenditures	1,636.8	1,737.8	1,834.0	1,824.0	(10.0)	(0.5)
Approved Positions	11.0	12.0	12.0	15.0	3.0	25.0

* Based on Q3 Corporate Variance Report forecast figures.

Impacts of the 2016 Operating Variance on the 2017 Budget Request

The 2017 Budget Requests have been adjusted as a result of the 2016 experience as well as anticipated operational requirements.

The Auditor General's Office has submitted a reduction option involving a reorganization of the Office to convert senior management positions into junior level positions on a permanent basis. Temporary audit staff have been hired to manage workload pressures with funding from staff vacancies during the first nine months of the year.

The Office of the Integrity Commissioner has submitted an enhancement request to enhance capacity to respond to high volumes or complex cases through outside legal and investigative services, which cannot be covered from the current budget.

The Office of the Lobbyist Registrar has submitted a one-time reduction in office supplies and the gapping of the 0.25 temporary administrative position.

Ombudsman Toronto has submitted a one-time reduction in non-payroll items including legal services, investigative expenses, and outreach-related expenses.

Appendix B1 – Auditor General's Office 2017 Base Request vs. 2016 Approved Budget

(In \$000s)	Summary of 2017 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2018	2019
		\$	\$	\$	\$	\$
2016 Council Approved Operating Budget	31.5	4,973.6		4,973.6		
2016 In-year COLA budget adjustment		59.7		59.7		
2016 Approved Adjusted Operating Budget	31.5	5,033.3		5,033.3		
Prior Year Impacts:						
Budget to Actual Adjustment		(130.2)		(130.2)		
Annualization of 2016 New Positions		59.2		59.2		
Salary & economic factor Increases:						
Salary		154.2		154.2	141.1	120.8
Non Salary		2.9		2.9	3.0	3.4
2017 Adjusted Base Budget	31.5	5,119.4		5,119.4	144.0	124.2
Base Expenditure Changes						
Base Revenue Changes						
2017 Base Budget Request	31.5	5,119.4		5,119.4	144.0	124.2

Appendix B2 – Office of the Integrity Commissioner 2017 Base Request vs. 2016 Approved Budget

(In \$000s)	Summary of 2017 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2018	2019
		\$	\$	\$	\$	\$
2016 Council Approved Operating Budget	3.0	479.2		479.2		
2016 In-Year COLA Adjustment		5.6		5.6		
2016 Approved Adjusted Operating Budget	3.0	484.8		484.8		
Prior Year Impacts:						
Budget to Actual Adjustment		(6.2)		(6.2)		
Salary & economic factor Increases:						
Salary		27.6		27.6	16.6	15.0
Non Salary		0.3		0.3	0.3	0.4
2017 Adjusted Base Budget	3.0	506.6		506.6	16.9	15.4
Base Expenditure Changes						
Base Revenue Changes						
2017 Base Budget Request	3.0	506.6		506.6	16.9	15.4

**Appendix B3 – Office of the Lobbyist Registrar
2017 Base Request vs. 2016 Approved Budget**

(In \$000s)	Summary of 2017 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2018	2019
		\$	\$	\$	\$	\$
2016 Council Approved Operating Budget	8.3	1,143.1		1,143.1		
2016 In-Year COLA Adjustment		13.2		13.2		
2016 Approved Adjusted Operating Budget	8.3	1,156.3		1,156.3		
Prior Year Impacts:						
Budget to Actual Adjustment		(21.2)		(21.2)		
Salary & economic factor Increases:						
Salary		32.1		32.1	32.5	28.0
Non Salary		1.5		1.5	1.5	1.8
2017 Adjusted Base Budget	8.3	1,168.7		1,168.7	34.0	29.8
Base Expenditure Changes		0.0		0.0		
Base Revenue Changes						
2017 Base Budget Request	8.3	1,168.7		1,168.7	34.0	29.8

Appendix B4 –Ombudsman Toronto 2017 Base Request vs. 2016 Approved Budget

(In \$000s)	Summary of 2017 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2018	2019
		\$	\$	\$	\$	\$
2016 Council Approved Operating Budget	12.0	1,814.6		1,814.6		
2016 In-year COLA Adjustment		19.4		19.4		
2016 Approved Adjusted Operating Budget	12.0	1,834.0		1,834.0		
Prior Year Impacts:						
Actual to Budget Adjustments		(1.4)		(1.4)		
Salary & economic factor Increases:						
Salary		45.2		45.2	53.1	40.4
Non Salary		4.5		4.5	4.6	5.4
2017 Adjusted Base Budget	12.0	1,882.3		1,882.3	57.7	45.8
Base Expenditure Changes		(0.0)		(0.0)		
Base Revenue Changes						
2017 Base Budget Request	12.0	1,882.3		1,882.3	57.7	45.8

Appendix C1

2017 Budget Request Summary by Expenditure Category

Auditor General's Office

in \$000s	2014	2015	2016	2016	2017	Change from		2018	2019
	Actuals	Actuals	Approved Adj. Budget	Projected Actuals*	Budget Request	2016 Approved Budget		Outlook	Outlook
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	4,297.0	4,440.4	4,843.2	4,788.7	4,709.4	(133.8)	(2.8)	4,856.9	4,983.9
Materials and Supplies	6.1	6.3	11.0	11.0	11.1	0.1	1.1	11.3	11.4
Equipment	1.8	7.5	47.1	47.1	48.1	0.9	2.0	49.0	50.1
Services & Rents	49.4	115.0	102.0	156.5	103.9	1.9	1.8	105.8	108.0
Contributions to Capital	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contributions to Reserve/Res Funds	6.8	7.7	7.7	7.7	7.7	0.0	0.0	7.7	7.7
Other Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Interdivisional Charges	24.0	20.6	22.3	22.3	22.3	0.0	0.0	22.3	22.3
TOTAL GROSS EXPENDITURES	4,385.1	4,597.5	5,033.3	5,033.3	4,902.4	(130.9)	(2.6)	5,052.9	5,183.3
Interdivisional Recoveries	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Provincial Subsidies	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Federal Subsidies	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Other Subsidies	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
User Fees & Donations	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Transfers from Capital Fund	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contribution from Reserve/Res Funds	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Other Revenues	(0.0)	(0.0)	0.0	0.0	0.0	0.0	n/a	0.0	0.0
TOTAL REVENUE	(0.0)	(0.0)	0.0	0.0	0.0	0.0	n/a	0.0	0.0
TOTAL NET EXPENDITURES	4,385.1	4,597.5	5,033.3	5,033.3	4,902.4	(130.9)	(2.6)	5,052.9	5,183.3
APPROVED POSITIONS	29.0	29.5	31.5	30.0	32.0	0.5	0.0	32.0	32.0

* Based on Q3 Corporate Variance Report forecast figures.

Appendix C2
2017 Budget Request Summary by Expenditure Category
Office of the Integrity Commissioner

	2014	2015	2016	2016	2017	Change from		2018	2019
	Actuals	Actuals	Approved Adj. Budget	Projected Actuals*	Budget Request	2016 Approved Budget	%	Outlook	Outlook
in \$000s	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	311.9	325.8	460.8	445.8	482.2	21.4	4.6	498.8	513.8
Materials and Supplies	0.4	0.3	1.6	1.6	1.6	0.0	1.2	1.6	1.6
Equipment	0.6	4.7	0.1	0.1	0.1	0.0	2.0	0.1	0.1
Services & Rents	30.6	29.5	17.6	17.6	87.9	70.3	399.1	88.3	88.6
Contributions to Capital	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contributions to Reserve/Res Funds	4.2	4.4	4.4	4.4	4.4	0.0	0.0	4.4	4.4
Other Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Interdivisional Charges	0.1	0.0	0.4	0.4	0.4	0.0	0.0	0.4	0.4
TOTAL GROSS EXPENDITURES	347.9	364.7	484.8	469.8	576.6	91.7	18.9	593.5	608.9
Interdivisional Recoveries	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Provincial Subsidies	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Federal Subsidies	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Other Subsidies	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
User Fees & Donations	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Transfers from Capital Fund	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contribution from Reserve/Res Funds	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Other Revenues	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
TOTAL REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
TOTAL NET EXPENDITURES	347.9	364.7	484.8	469.8	576.6	91.7	18.9	593.5	608.9
APPROVED POSITIONS	2.0	3.0	3.0	3.0	3.0	0.0	0.0	3.0	3.0

* Based on Q3 Corporate Variance Report forecast figures.

Appendix C3 2017 Budget Request Summary by Expenditure Category

Office of the Lobbyist Registrar

	2014	2015	2016	2016	2017	Change from		2018	2019
	Actuals	Actuals	Approved Adj. Budget	Projected Actuals*	Budget Request	2016 Approved Budget		Outlook	Outlook
in \$000s	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	982.5	1,017.0	1,066.6	976.6	1,063.9	(2.7)	(0.3)	1,109.9	1,137.9
Materials and Supplies	5.2	4.6	7.6	7.6	6.4	(1.2)	(15.9)	7.3	7.3
Equipment	0.4	0.6	0.3	0.3	0.0	(0.3)	(100.0)	0.0	0.0
Services & Rents	39.1	27.8	79.6	79.6	81.5	1.9	2.3	83.3	85.0
Contributions to Capital	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contributions to Reserve/Res Funds	1.4	1.6	1.6	1.6	1.6	0.0	0.0	1.6	1.6
Other Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Interdivisional Charges	0.3	0.4	0.6	0.6	0.6	0.0	0.0	0.6	0.6
TOTAL GROSS EXPENDITURES	1,028.9	1,052.1	1,156.3	1,066.3	1,154.0	(2.3)	(0.2)	1,202.7	1,232.5
Interdivisional Recoveries	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Provincial Subsidies	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Federal Subsidies	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Other Subsidies	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
User Fees & Donations	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Transfers from Capital Fund	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contribution from Reserve/Res Funds	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Other Revenues	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
TOTAL REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
TOTAL NET EXPENDITURES	1,028.9	1,052.1	1,156.3	1,066.3	1,154.0	(2.3)	(0.2)	1,202.7	1,232.5
APPROVED POSITIONS	8.3	8.3	8.3	8.0	8.3	0.0	0.0	8.3	8.3

* Based on Q3 Corporate Variance Report forecast figures.

Appendix C4 2017 Budget Request Summary by Expenditure Category

Ombudsman Toronto

	2014	2015	2016	2016	2017	Change from		2018	2019
	Actuals	Actuals	Approved Budget	Projected Actuals*	Budget Request	2016 Approved Budget		Outlook	Outlook
in \$000s	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	1,352.2	1,435.3	1,573.1	1,573.1	1,616.9	43.8	2.8	1,670.0	1,710.4
Materials and Supplies	5.3	5.1	12.7	12.7	5.1	(7.6)	(59.9)	5.2	5.2
Equipment	9.0	4.7	7.2	7.2	1.5	(5.8)	(79.7)	4.3	4.4
Services & Rents	272.1	286.9	226.4	216.4	179.0	(47.4)	(21.0)	247.8	253.0
Contributions to Capital	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contributions to Reserve/Res Funds	1.8	2.1	2.1	2.1	2.1	0.0	0.0	2.1	2.1
Other Expenditures	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Interdivisional Charges	2.1	3.9	12.4	12.4	5.6	(6.8)	(54.8)	10.6	10.7
TOTAL GROSS EXPENDITURES	1,642.6	1,737.9	1,834.0	1,824.0	1,810.1	(23.8)	(1.3)	1,940.0	1,985.8
Interdivisional Recoveries	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Provincial Subsidies	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Federal Subsidies	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Other Subsidies	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
User Fees & Donations	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Transfers from Capital Fund	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contribution from Reserve/Res Funds	0.0	0.0	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Other Revenues	5.8	0.2	0.0	0.0	0.0	0.0	n/a	0.0	0.0
TOTAL REVENUE	5.8	0.2	0.0	0.0	0.0	0.0	n/a	0.0	0.0
TOTAL NET EXPENDITURES	1,636.8	1,737.8	1,834.0	1,824.0	1,810.1	(23.8)	(1.3)	1,940.0	1,985.8
APPROVED POSITIONS	11.0	12.0	12.0	15.0	12.0	0.0	0.0	12.0	12.0

* Based on Q3 Corporate Variance Report forecast figures.

Appendix D Inflows/Outflows to/from Reserves & Reserve Funds

Reserve / Reserve Fund Name (in 000s)	Reserve / Reserve Fund Number	Proposed Withdrawals (-) / Contributions (+)		
		2017	2018	2019
		\$	\$	\$
Auditor General's Office Insurance Reserve	XR1010	7.7	7.7	7.7
Office of the Integrity Commissioner Insurance Reserve	XR1010	4.4	4.4	4.4
Office of the Lobbyist Registrar Insurance Reserve	XR1010	1.6	1.6	1.6
Ombudsman Toronto Insurance Reserve	XR1010	2.1	2.1	2.1