

# Guide to the new Corporate Variance Report Dashboard

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Budget Committee



# Variance Report Changes

- Layered approach provides the reader with the ability to move from critical summary information in the main body of the report to ancillary information in the Appendices with detailed dashboard explanations by Program and Agency
- Increased use of easy-to-read graphics and trending for each City Program and Agency presenting the status of financial performance
- Inclusion of quarterly trending performance comparisons to highlight risks and opportunities
- Better performance measurements and monitoring to increase transparency and accountability
- Adds business intelligence by providing the reader with a rapid understanding of results



# Corporate Operating Variance Report



# Operating Variance Dashboards

- Report year-to-date results and year-end projections of net expenditure variance (\$) at a corporate level
- Provide graphical alerts based on spending thresholds

Alert on % of Net Budget Variance

Tax Supported Expenditure Variance (\$ Millions)						
	June 30, 2015 Over/(Under)			Projected Y/E 2015 Over/(Under)		
	Gross	Net	Alert	Gross	Net	Alert
Citizen Centred Services "A"	(43.3)	(8.5)	ⓐ	(64.3)	(10.0)	ⓐ
Citizen Centred Services "B"	2.1	8.6	ⓐ	5.1	6.9	Ⓡ
Internal Services	(12.1)	5.1	Ⓡ	(21.8)	(2.7)	ⓐ
City Manager	(1.7)	(1.3)	ⓐ	(2.0)	(1.7)	ⓐ
Other City Programs	(3.7)	(0.3)	ⓐ	(1.5)	0.6	Ⓡ
Council Appointed Programs	(0.1)	(0.1)	ⓐ	0.0	0.0	ⓐ
<b>Total - City Operations</b>	<b>(58.7)</b>	<b>3.6</b>	<b>ⓐ</b>	<b>(84.4)</b>	<b>(6.9)</b>	<b>ⓐ</b>
Total - Agencies	(6.1)	4.9	ⓐ	(11.0)	2.4	Ⓡ
Total - Corporate Accounts	(38.5)	(105.8)	ⓐ	(2.7)	(60.3)	ⓐ
<b>Total Variance</b>	<b>(103.3)</b>	<b>(97.3)</b>	<b>ⓐ</b>	<b>(98.1)</b>	<b>(64.9)</b>	<b>ⓐ</b>

(Legend for City Programs & Agencies)

<b>Year-to-Date Net Variance</b>	ⓐ	85% to 105%	Ⓢ	0% to 85%	Ⓡ	>105%
<b>Year-End Net Variance</b>	ⓐ	<=100%	Ⓡ	>100%		

# Operating Variance Dashboard by Program

- Year-to-date and year-end variance projections for Gross Expenditures, Revenues, and Net Expenditures with “trends” compared to previous reporting period

**Cluster XXX**  
**Year-to-Date Variance and Year-End Variance Projection Summary**  
(In \$ Millions)

Alert on % of Net Budget Variance

City Program/Agency	Quarter	Year-to-Date							Year-End Projection						
		Gross Expenditures		Revenue		Variance		Alert	Gross Expenditures		Revenue		Variance		Alert
		\$	trend	\$	trend	\$	trend		\$	trend	\$	trend	\$	trend	
Program 1	4-Month	(0.3)	▼	(0.4)	▼	0.0	—	⊙	0.0	—	0.0	—	0.0	—	⊙
	6-Month	0.0	—	(0.3)	▼	0.4	▲	⊙	0.0	—	0.0	—	0.0	—	⊙
Program 2	4-Month	(1.8)	▼	(1.8)	▼	(0.0)	—	⊙	(0.2)	▼	(0.6)	▼	0.4	▲	Ⓡ
	6-Month	(3.0)	▼	(3.1)	▼	0.1	▲	⊙	(1.5)	▼	(2.0)	▼	0.6	▲	Ⓡ
Program 3	4-Month	(0.0)	—	0.0	—	(0.0)	—	⊙	0.0	—	0.0	—	0.0	—	⊙
	6-Month	(0.1)	▼	0.0	—	(0.1)	▼	⊙	0.0	—	0.0	—	0.0	—	⊙
Program 4	4-Month	(0.5)	▼	(0.0)	—	(0.5)	▼	⊙	0.0	—	0.0	—	0.0	—	⊙
	6-Month	(0.6)	▼	0.1	▲	(0.6)	▼	⊙	0.0	—	0.0	—	0.0	—	⊙
Total	4-Month	(2.8)	▼	(2.2)	▼	(0.6)	▼	⊙	(0.2)	▼	(0.6)	▼	0.4	▲	Ⓡ
	6-Month	(3.7)	▼	(3.4)	▼	(0.3)	▼	⊙	(1.5)	▼	(2.0)	▼	0.6	▲	Ⓡ

# Appendix G - Variance Explanations

Six Month Results		Year-End Projections	
<b>Program XXX:</b> <ul style="list-style-type: none"> <li>Higher volume and fees per development applications contributed to the favourable net variance.</li> <li>22.0 positions or 2.1% below the approved complement after considering gapping, reflecting 8.0 new positions that will be recruited for enhanced services later in the year.</li> <li>The Division intends to fill 17.0 vacant positions before end of the year to ensure service level is not affected. The remaining 5.0 positions are student positions that are filled only during the summer months.</li> </ul>	Y	<ul style="list-style-type: none"> <li>Higher volume of applications is projected to continue to year-end.</li> <li>5.0 positions below approved complement of 373 positions, reflecting full complement after considering gapping.</li> </ul>	G
			Financials
			Complement

## Variance Explanations by City Program and Agency

- Variance explanations regarding budgetary and complement information presented in tabular format
- Elimination of repetitive/duplicate information and accounting/financial jargon
- Use of clear and concise bullet points limiting context to key drivers
- Changes support increased transparency

# Operating Dashboards Interpretation

- “Trend” symbols for reported/projected variances are measured by \$

Gross Expenditures	Revenues	Net Expenditures
— No Variance / On Budget	— No Variance / On Budget	— No Variance / On Budget
▲ Unfavourable / Overspent	▲ Favourable / Overachieved	▲ Unfavourable / Overspent
▼ Favourable / Underspent	▼ Unfavourable / Underachieved	▼ Favourable / Underspent

- “Alert” draws reader’s attention to Net budget variances measured by %

Alert	YTD Actuals			Year-End Projection	
	Ⓒ	Ⓐ	Ⓡ	Ⓒ	Ⓡ
Net Spending (%)	Between 85% and 105% of Budget Spent	< 85% of Budget Spent	> 105% of Budget Spent	≤ 100% of Budget Spent	> 100% of Budget Spent
Net Variance (%)	Underspent ≤ 15% or Overspent ≤ 5%	Underspent > 15%	Overspent > 5%	Underspent ≥ 0%	Overspent > 0%

- Examples:

Year-to-date				Year-End Projection			
Budget	Actuals	Variance %	Alert	Budget	Projected Actuals	Variance %	Alert
\$ 5.0	\$ 3.0	40% Underspent	Ⓐ	\$ 10.0	\$ 9.7	3% Underspent	Ⓒ
\$ 5.0	\$ 4.5	10% Underspent	Ⓒ	\$ 10.0	\$ 7.0	30% Underspent	Ⓒ
\$ 5.0	\$ 6.0	20% Overspent	Ⓡ	\$ 10.0	\$ 11.0	10% Overspent	Ⓡ



# Corporate Capital Variance Report





# Capital Spending Dashboards

- Highlight year-to-date and year-end capital expenditure projections at a corporate level
- Provide graphical alerts based on spending thresholds
- Present information in accessible formats to comply with AODA requirements

Corporate Capital Variance Summary for the Period Ended June 30, 2015 (\$000s)						
	2015 Approved Budget	Actual Expenditures - January 1 to June 30, 2015		Projected Actual Expenditure at Year-End		
		\$000s	%	\$000s	% of Plan	Alert
<b>Tax Supported Programs:</b>						
Citizen Centred Services - "A"	343,848	59,959	17.4	234,296	68.1	Ⓚ
Citizen Centred Services - "B"	523,566	102,137	19.5	405,934	77.5	Ⓞ
Internal Services	459,450	77,146	16.8	295,135	64.2	Ⓚ
Other City Programs	65,098	5,560	8.5	46,042	70.7	Ⓞ
<b>Sub Total City Operations</b>	<b>1,391,962</b>	<b>244,801</b>	<b>17.6</b>	<b>981,407</b>	<b>70.5</b>	
<b>Agencies</b>	<b>1,944,812</b>	<b>398,385</b>	<b>20.5</b>	<b>1,751,228</b>	<b>90.0</b>	
<b>Sub Total - Tax Supported</b>	<b>3,336,774</b>	<b>643,186</b>	<b>19.3</b>	<b>2,732,635</b>	<b>81.9</b>	
<b>Rate Supported Programs:</b>						
Solid Waste Management	93,353	4,348	4.7	44,200	47.3	Ⓜ
Toronto Parking Authority	57,934	5,308	9.2	31,781	54.9	Ⓚ
Toronto Water	756,640	170,866	22.6	634,958	83.9	Ⓞ
<b>Sub Total Rate Supported</b>	<b>907,926</b>	<b>180,522</b>	<b>19.9</b>	<b>666,739</b>	<b>73.4</b>	
<b>Total</b>	<b>4,244,701</b>	<b>823,708</b>	<b>19.4</b>	<b>3,443,574</b>	<b>81.1</b>	

Alert on % of Year-End Projected Spending Compared to Budget

# Capital Spending Dashboard by Program

- Year-to-date financial results and year-end capital expenditure projections trending from previous reporting period

Table 1  
Year-to-Date and Year-End Capital Spending by Program  
Cluster XXX

City Program/Agency		2015 Approved Cash Flow	2015 Expenditure			Trending	Alert (Benchmark 70% spending rate)
			YTD Spending	Year-End Projection	% at Year End		
Program 1	4 Months	5.86	0.22	4.37	74.5%		Ⓞ
	Q2	5.86	0.51	3.66	62.4%	↓	Ⓢ
Program 2	4 Months	0.07	0.00	0.07	90.0%		Ⓞ
	Q2	0.07	0.01	0.02	22.7%	↓	Ⓢ
Program 3	4 Months	45.85	1.99	32.05	69.9%		Ⓢ
	Q2	46.00	8.49	31.37	68.2%	↓	Ⓢ
Program 4	4 Months	41.00	6.89	35.10	85.6%		Ⓞ
	Q2	41.00	13.71	37.73	92.0%	↑	Ⓞ
Program 5	4 Months	230.52	11.61	143.04	62.1%		Ⓢ
	Q2	234.32	35.31	148.72	63.5%	↑	Ⓢ
Program 6	4 Months	7.72	0.40	5.17	66.9%		Ⓢ
	Q2	7.72	1.45	5.26	68.2%	↑	Ⓢ
Program 7	4 Months	8.87	0.33	6.77	76.3%		Ⓞ
	Q2	8.87	0.49	7.54	85.0%	↑	Ⓢ

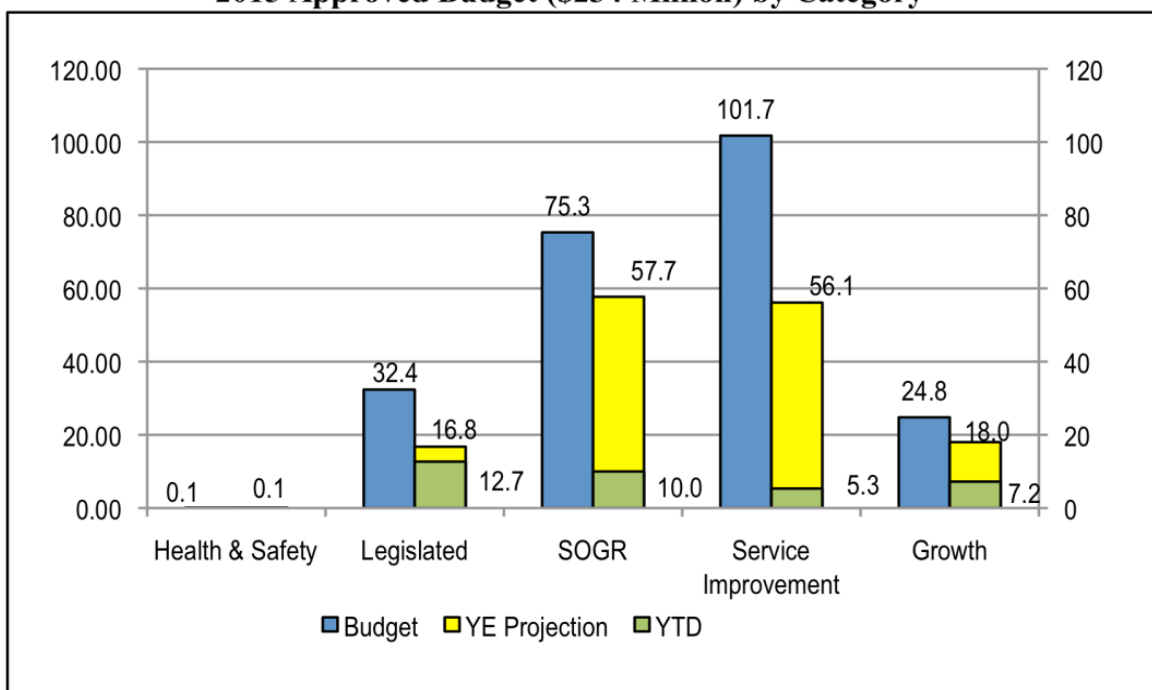
Ⓞ >70%     
 Ⓢ between 50% and 70%     
 Ⓢ < 50% or > 100%

Alert on % of Year-End Projected Spending

# Project Category

- Bar chart provides year-to-date financial results and year-end capital expenditure projections (\$) compared to budget for active projects by project category

**Chart 1**  
**2015 Approved Budget (\$234 Million) by Category**



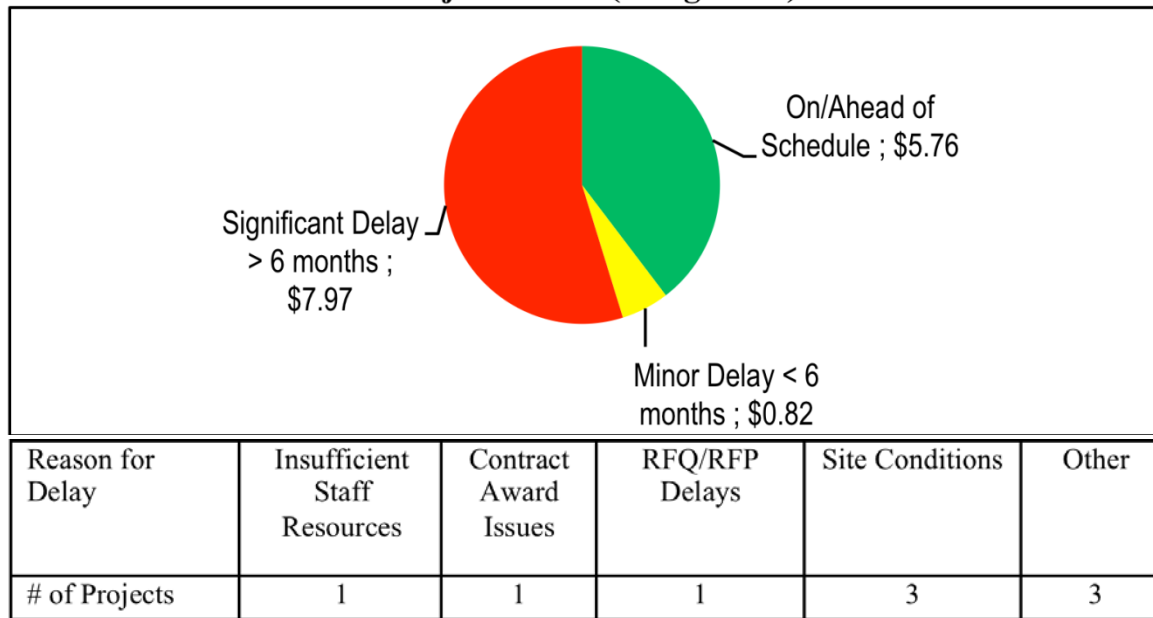
HS: Health & Safety  
 LE: Legislated  
 SOGR: State of Good Repair  
 SI: Service Improvement  
 GW: Growth

Category	HS	LE	SOGR	SI	GW
#Active Projects	1	3	11	11	4

# Project Status

- Pie chart provides a breakdown of the Capital Budget by project status and associated budget as well as the reasons for delay

**Chart 2**  
**Project Status (Budget \$M)**



Three projects under "Other" are delayed due to unexpected compatibility issues with mobile workstations, 911 regulatory changes mandated by CTRC and longer lead time for delivery of custom designed fire trucks.

# Summary of Capital Projects

- Provide year-to-date and life-to-date financial performance for approved capital projects as presented in the Analyst Notes during the annual budget process

Table 1  
Summary of Capital Projects by Category  
(\$000s)

Alert on % of Year-End Projected Spending

Projects by Category	2015 Approved Cash Flow	YTD Exp.		YE Projection				Comments	Total Approved Budget	Life-to-Date
		\$	%	\$	%	On Budget	On Time			
<b>State of Good Repair</b>										
Replacement of servers, hardware and software	2,846	207	7.3%	2,675	94.0%	Ⓞ	Ⓞ	None	6,982	3,079
<b>Sub-Total</b>	<b>2,846</b>	<b>207</b>	<b>7.3%</b>	<b>2,675</b>	<b>94.0%</b>	-	-		<b>6,982</b>	<b>3,079</b>
<b>Service Improvements</b>										
Enterprise Scheduler & Payment Module	3,476	756	21.8%	1,790	51.5%	Ⓢ	Ⓢ	Procurement Issues due to prolonged consultations with Corporate IT and other divisions, and the completion of Privacy Impact Assessments for Account Look Up/Payment sub-project.	7,577	5,317
Channel and Counter Strategy	486	156	32.0%	462	95.0%	Ⓞ	Ⓞ	None	3,051	156
<b>Sub-Total</b>	<b>3,962</b>	<b>912</b>	<b>23.0%</b>	<b>2,252</b>	<b>56.8%</b>	-	-		<b>10,628</b>	<b>5,473</b>

## Key Discussion Points:

- SOGR's year-end projected spend rate is 94.0% based on the purchase of hardware and professional services for UCCE upgrade and the purchase of professional services for Verint Upgrade in second half of 2015. These two purchases account for 79% of 2015 cash flow for SOGR projects.

# Summary of Major Capital Projects




- A detailed explanation on the progress of the capital work for major projects including year-to-date and life-to-date financial information
- This complies with Auditor General's recommendation to report on the status of major capital projects in the quarterly variance reporting process to enhance oversight and promote accountability and transparency

Alert on % of Life-to-Date




Project name	Comments/Issues	2015 Cash Flow (\$000s)			Total Project Cost (\$000s)		Status	Explanation for Delay	Start Date	End Date		On Budget	On Time
		Approved	YTD	Year-End	Approved	Life-to-Date				Planned	Revised		
<b>Program 1</b>													
Project XXX	Fundraising projections for the project via the Fort York Foundation will not be met for timely Exhibit Installation.	4,998	235	1,710	25,589	20,825	Building is complete and open to the public with inaugural exhibits in-place. Permanent exhibits to be installed in early 2016.		15-Oct-15	14-Jul-14	Sep-15	Ⓡ	Ⓢ
Project XXX	Project on schedule for completion Dec. 2015	5,442	1,870	5,442	6,115	2,543	Project on schedule for completion Dec. 2015		14-Jun-14	15-Dec-15		Ⓢ	Ⓢ
Project XXX	Project originally delayed by third-party redevelopment of Bickford hotel banquet facility. The additional unknown costs are being absorbed by the Developer and the City (as approved by council July 2015).	1,935	57	500	4,281	146	Monument conservation & relocation contract docs near completion; Cultural Precinct planning commenced; market study for arts programming complete; RFP for architectural services being developed	Requires coordination with the development of the Guild Inn site.	14-Jun-14	18-Dec-18		Ⓡ	Ⓢ
Project XXX	No Issues	2,316	2,098	2,316	2,800	2,800	Substantially complete pending final review.		1-Jan-15	1-Jul-15		Ⓢ	Ⓢ

# Capital Dashboards Interpretation





- “Trend” symbols are measured by % compared to YE projections from previous reporting period

Year-End Projections	
	Spending % No Change
	Spending % Decrease
	Spending % Increase

- “Alert” draws reader’s attention to significant YE projections measured by %

Year-End Projections			
Alert			
Spending (%)	> 70% of Budget Spent	Between 50% - 70% of Budget Spent	< 50% or > 100% of Budget Spent
Time	On/Ahead of Schedule	Minor Delay < 6 Months	Significant Delay > 6 Months

- Examples:

Year-End Projections			
Budget	Projected Actuals	Spending Rate %	Alert
\$ 10.0	\$ 9.0	10%	
\$ 10.0	\$ 6.0	60%	
\$ 10.0	\$ 4.0	40%	
\$ 10.0	\$ 11.0	110%	

Thank You

