

Budget Submission
Fiscal Years
2015/16 – 2017/18

Presented to
The Select Standing Committee on Finance and Government Services
Legislative Assembly of British Columbia

November 25, 2014

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Overview

This budget submission for the Office of the Merit Commissioner is accompanied by the Service Plan for 2015/16 to 2017/18 which describes the broad direction for the Office over the same three-year time horizon. This budget request, consistent with the request put forward and approved in-principle by the Committee in December 2013, is for a minor increase in 2015/16 in the amount of \$15,000 to offset mandatory and non-discretionary increases to employee salaries and benefits, as well as increasing building occupancy costs. No further increases are requested for 2016/17. A minor \$2,000 increase is requested in 2017/18.

Last fiscal year, the Office managed the budget allocation effectively to fulfill its mandate and deliver on commitments as outlined to the Committee in the Service Plan. To carry out this work the Office employed four permanent staff, one temporary staff, engaged four external auditors on a contract basis, and consulted as appropriate with an external Audit Advisory Committee. The Merit Commissioner continues to serve as a part-time appointee.

In the past, the Office of the Merit Commissioner has been required to absorb costs associated with increases to employee salaries and benefits. While this has not been problematic to date, the impact of having to continue to do so on the Office's relatively small operating budget will be to reduce flexibility to engage short-term staff to deal with workload pressures. A process is underway to hire a junior professional to restore the Office to full staffing levels, add stability to the small workforce and to address workload issues. The minor budgetary amendment now proposed will address increasing salary and benefits cost.



Mandate

The Office of the Merit Commissioner provides independent oversight and insight into merit-based hiring in the BC Public Service.

All appointments to and from within the public service must be made on the principle of merit. Merit means that appointments are made on the basis of an assessment of competence and ability to do the job, and are not influenced by patronage. To carry out this mandate we focus on our two main business lines: annual and special audits; and independent staffing reviews.

The Office provides credible and relevant information about staffing on which the employer will act to produce positive changes. These outputs support the long-term goal of building public confidence and a strong consensus that the public service is qualified and hired fairly according to the principle of merit.

Priorities for Fiscal 2015/16

The Service Plan provides details that support each of the following priorities.

- Conduct a Merit Performance Audit designed to examine appointments made to and from within the BC Public Service, report results to organization heads and the BC Public Service Agency, and formulate recommendations for improvement.
- Investigate and respond to employee requests for review of staffing decisions in a thorough and timely manner.
- Complete a study of the risks, limitations and conditions necessary for the merit-based use of self-assessment questionnaires which determine if applicants in a competition are qualified for further consideration.
- Conduct a follow-up audit to that conducted in 2011 related to auxiliary appointments.



Statement of Operations

(Previous and Current Fiscal Years)

	Fiscal 2013/14 (previous)		Fiscal 2014/15 (current)
	Budget	Actual	Budget
Funding			
Voted Appropriation	1,039,000	931,594	1,039,000
Total	1,039,000	931,594	1,039,000
Operating Budget and Expenditures			
Salaries (50, 51, 54)	582,000	500,082	582,000
Employee Benefits (52)	112,000	107,518	112,000
Travel (57)	13,000	21,126	13,000
Professional Services (60)	75,000	86,248	75,000
Information Systems (63)	31,000	27,179	31,000
Office and Business Expenses (65)	25,000	15,960	25,000
Information Reporting (67)	2,000	0	2,000
Statutory Reporting (68)	5,000	12,131	5,000
Utilities, Materials and Supplies (69)	2,000	3,441	2,000
Amortization (73)	54,000	32,571	54,000
Building Occupancy (75)	138,000	125,338	138,000
Internal Recoveries (88)	0	0	0
External Recoveries (90)	0	0	0
Total Expenses	1,039,000	931,594	1,039,000
Capital Budget and Expenditures			
Info. Systems, & Furniture & Equipment	15,000	4,693	15,000
Total Capital	15,000	4,693	15,000



Proposed Budget

By Standard Object of Expenditure (STOB)

	Fiscal 2014/15 (Current) Budget	Fiscal 2015/16 Proposed Estimates	Change ¹	Fiscal 2016/17 Planned Budget	Fiscal 2017/18 Planned Budget
STOB Expense Type					
50 Salaries	440,000	446,000²	6,000	452,000	453,000
51 Supplemental Salary	5,000	5,000	0	5,000	5,000
52 Employee Benefits	112,000	124,000²	12,000	130,000	131,000
54 Officer of the Leg. Salary	137,000	137,000³	0	137,000	137,000
57 Travel	13,000	13,000	0	13,000	13,000
60 Professional Services	75,000	75,000⁴	0	75,000	75,000
63 Information Systems	31,000	31,000	0	31,000	31,000
65 Office and Business Expenses	25,000	25,000⁵	0	25,000	25,000
67 Info., Advertising & Publications	2,000	2,000⁶	0	2,000	2,000
68 Statutory Adv. & Publications	5,000	5,000⁷	0	5,000	5,000
69 Utilities, Materials and Supplies	2,000	2,000⁸	0	2,000	2,000
73 Amortization Expense	54,000	44,000⁹	-10,000	25,000	25,000
75 Building Occupancy	138,000	145,000¹⁰	7,000	152,000	153,000
88 Internal Recoveries	0	0	0	0	0
Total	1,039,000	1,054,000	15,000	1,054,000	1,056,000
Capital Budget					
Info. Systems, Furniture & Equipment	15,000	15,000 ¹¹	0	15,000	15,000
Total	15,000	15,000	0	15,000	15,000

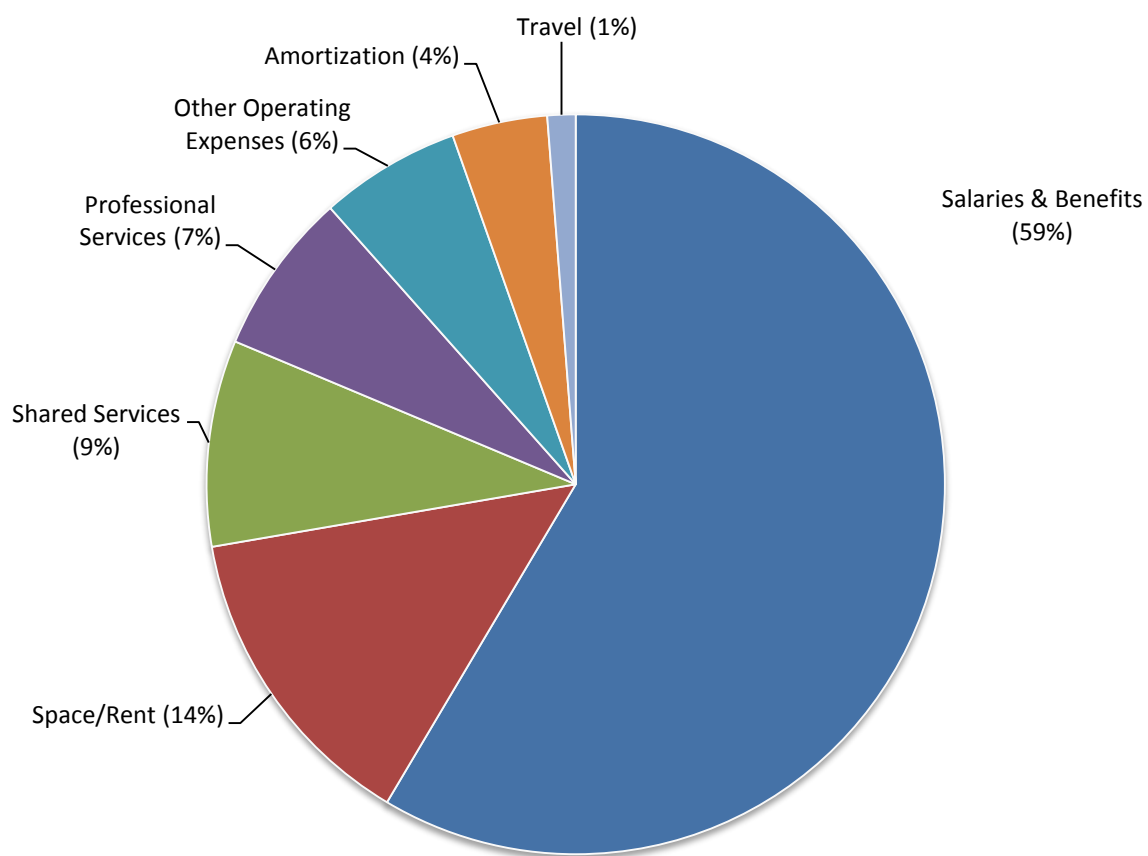


Notes:

- 1 Change represents increase approved by the Select Standing Committee December 2013 only, no net new ask for resources is included for 2015/16 or 2016/17.
- 2 STOB 50 (Salaries) and STOB 52 (Employee Benefits) include salary increases for Schedule A staff, the Office's portion of Shared Services costs and the increase in the benefits rate.
- 3 STOB 54 (Officer of the Legislature Salary) includes the salary for the Merit Commissioner, which is set by Order in Council.
- 4 STOB 60 (Professional Services) includes funding for professional service contracts such as contracts for audit activities.
- 5 STOB 65 (Office and Business Expenses) includes costs for office supplies, offsite file storage, postal and courier charges, printing and photocopying expenses (other than reports), newspaper subscriptions, staff training and business meeting expenses.
- 6 STOB 67 (Informational Advertising and Publications) includes costs for printing public reports other than the Annual Report to the Legislature.
- 7 STOB 68 (Statutory Advertising and Publications) includes costs for preparation and printing of the Annual Report to the Legislature.
- 8 STOB 69 (Utilities, Materials, and Supplies) includes costs for hydro, shredding, recycling, books and supplies.
- 9 STOB 73 (Amortization) includes cost of repaying the Capital budget expenditures for information systems hardware and software, tenant improvements and office furniture. Expenditures for information systems are amortized over three years. Expenditures for tenant improvements and office furniture are amortized over five years. Amortization costs for the substantial tenant improvements on office space will conclude during fiscal year 2015/16; however, the expected reduction in costs will be offset in part by an increase in base rent (see STOB 75).
- 10 STOB 75 (Building Occupancy) includes the Office's share of the costs for the consolidated office space for four Independent Offices of the Legislature at 947 Fort Street. Operating costs (e.g., building insurance, hydro and property taxes) are anticipated to increase in fiscal year 2015/16 and in subsequent years. The rate for base rent will increase from \$30 to \$33 per square foot on November 1, 2015.
- 11 CAPITAL BUDGET includes costs for the purchase of information systems hardware and software and office furniture, and is consistent with the Capital budget in fiscal year 2014/15. Capital amounts are repaid through amortization expense in STOB 73.



Proposed Operating Budget by Expenditure Type Fiscal 2015/16



* Other Operating STOBs includes information Systems (63), Office Expenses (65), reporting (67 and 68), Utilities (69) and external recoveries (90)



Proposed Space and Shared Services Budgets Fiscal 2015/16

