



Office of the  
Merit Commissioner

Budget Submission  
Fiscal Years  
2017/18 – 2019/20

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

November 14, 2016



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## Overview

The Office of the Merit Commissioner was able to fulfill its statutory mandate and deliver on plans and commitments within the budget allocation for 2015/16. Less than one per cent of the voted appropriation remained unspent at the end of the fiscal year which required rigorous budget management practices including ongoing monitoring and adjustments to spending, especially toward the end of the fiscal year.

The Office operates with a small complement of five staff. The Office also engages external auditors on an as and when required contract basis, and consults as appropriate with an external Audit Advisory Committee. The Merit Commissioner serves as a part-time appointee.

It was anticipated that the Office would be able to absorb costs in 2016/17 associated with general increases to employee salaries and benefits, and those associated with individual employees' anticipated leave requirements (such as, parental leave or long-term sick leave). However, given the limited budget flexibility associated with a small office, and the pressure on the budget from operational requirements, it has become clear that it is unlikely that absorbing these costs will be feasible without a negative impact on operations. As a result, the Merit Commissioner is requesting access to \$25,000 in additional funds for the current fiscal year.

The budget submission for the Office of the Merit Commissioner is accompanied by the Service Plan for 2017/18 to 2019/20 which describes the broad direction for the Office over the same three-year time horizon. Based on workload activity in 2015/16 and what we are experiencing to date in the current fiscal year, a modest budget increase of \$71,000 (approximately 6.5 per cent) is proposed for 2017/18. The majority of this increase in funding would be used to address increasing professional services costs associated with the conduct of the merit performance audit, non-discretionary increases to salaries and benefits, and increasing building occupancy and systems expenses. A minor increase of \$4,000 is proposed for 2018/19 and for 2019/20.



## Mandate

The Office of the Merit Commissioner was established as an independent office in 2006 following changes to the *Public Service Act* in 2005. The creation of an independent office allowed for a separation of the staffing audit and review function from the organization at the time which had responsibility for developing and implementing staffing policy; and was also intended to improve the efficiency of the process for final review of staffing decisions.

All appointments to and from within the public service must be made on the principle of merit. Merit is commonly accepted to mean that appointments are made on the basis of an assessment of competence and ability to do the job, and are not influenced by patronage. The Merit Commissioner has a mandate to provide independent oversight and insight into merit-based hiring in the BC Public Service through random audits of appointments and to act as the final level for review of staffing decisions, upon request.

The Office provides credible and relevant information about the quality and outcome of staffing processes. This information enables the employer to determine where amendment to policy or practice may be warranted and to bring positive change. The work of the Office supports the broader goal of building employee commitment as well as public confidence that BC's public service is qualified and that hiring is conducted in accordance with the principle of merit.

## Priorities for Fiscal 2017/18

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.
- Conduct an audit of auxiliary appointments.



## Statement of Operations

(Previous and Current Fiscal Years)

	Fiscal 2015/16 (previous)		Fiscal 2016/17 (current)
	Budget	Actual	Budget
<b>Funding</b>			
Voted Appropriation	1,054,000	1,046,511	1,054,000
<b>Total</b>	<b>1,054,000</b>	<b>1,046,511</b>	<b>1,054,000</b>
<b>Expenses (STOB)</b>			
Salaries (50, 51, 54)	483,000	459,669	503,000
Employee Benefits (52)	128,000	119,294	133,000
Travel (57)	15,000	17,000	15,000
Professional Services (60)	100,000	148,178	100,000
Information Systems (63)	23,000	25,030	21,000
Office and Business Expenses (65)	15,000	11,436	15,000
Statutory Reporting (68)	12,000	7,541	11,000
Utilities, Materials and Supplies (69)	4,000	3,381	4,000
Amortization (73)	28,000	26,308	15,000
Building Occupancy (75)	152,000	136,456	145,000
Other Expenses (85)	94,000	92,218	92,000
<b>Total Expenses</b>	<b>1,054,000</b>	<b>1,046,511</b>	<b>1,054,000</b>
<b>Capital Budget and Expenditures</b>			
Info. Systems, & Furniture & Equipment	15,000	2,975	15,000
<b>Total Capital</b>	<b>15,000</b>	<b>2,975</b>	<b>15,000</b>



## Proposed Budget

### By Standard Object of Expenditure (STOB)

		Fiscal 2016/17 (current) Budget	Fiscal 2017/18 Proposed Estimates	Change	Fiscal 2018/19 Planned Budget	Fiscal 2019/20 Planned Budget
<b>STOB</b>	<b>Expense Type</b>					
50	Salaries	366,000	<b>368,000</b>	2,000	369,000	370,000
51	Supplemental Salary	-	-	-	-	-
52	Employee Benefits	133,000	<b>137,000</b>	4,000	138,000	139,000
54	Officer of the Legislature Salary	137,000	<b>150,000</b>	13,000	150,000	150,000
57	Travel	15,000	<b>17,000</b>	2,000	17,000	17,000
60	Professional Services	100,000	<b>136,000</b>	36,000	136,000	136,000
63	Information Systems	21,000	<b>26,000</b>	5,000	26,000	26,000
65	Office and Business Expenses	15,000	<b>15,000</b>	-	15,000	15,000
68	Statutory Adv. & Publications	11,000	<b>12,000</b>	1,000	12,000	12,000
69	Utilities, Materials and Supplies	4,000	<b>4,000</b>	-	4,000	4,000
73	Amortization Expense	15,000	<b>15,000</b>	-	15,000	15,000
75	Building Occupancy	145,000	<b>152,000</b>	7,000	153,000	154,000
85	Other Expenses	92,000	<b>93,000</b>	1,000	94,000	95,000
	<b>Total</b>	<b>1,054,000</b>	<b>1,125,000</b>	<b>71,000</b>	<b>1,129,000</b>	<b>1,133,000</b>
<b>Capital Budget</b>						
	Info. Systems, Furniture & Equipment	15,000	15,000	-	15,000	15,000
	<b>Total</b>	<b>15,000</b>	<b>15,000</b>	<b>-</b>	<b>15,000</b>	<b>15,000</b>

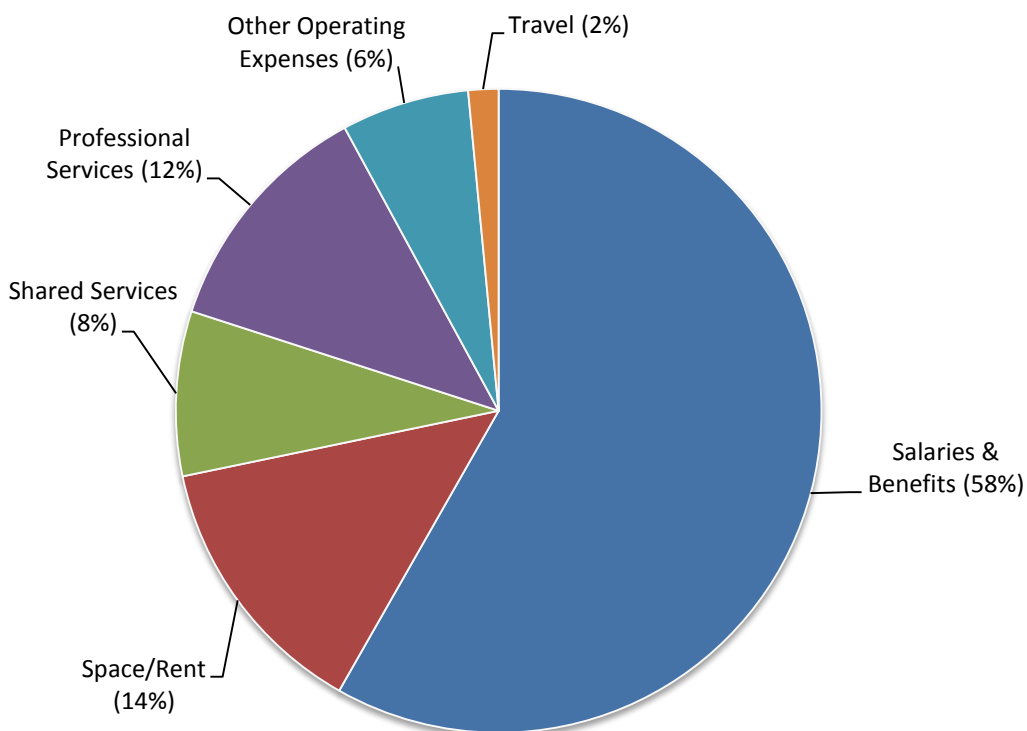


## Notes:

1. STOB 50 (Salaries) and STOB 52 (Employee Benefits) includes salaries for existing staff positions and the known financial impact of the salary increases for Schedule A (union classified). This does not include any potential financial impact from the new Management Classification System being introduced by the Public Service Agency.
2. STOB 63 (Information Systems) includes data lines, IDIR accounts, voice services, software licensing, data communication, network security and supplies.
3. STOB 65 (Office & Business Expenses) includes costs for office stationery and supplies, offsite file storage, postal and courier charges, printing expenses (other than reports), news subscriptions, staff training, photocopier leases, and business meeting expenses.
4. STOB 68 (Statutory Advertising & Publications) includes costs for preparing and printing the Annual Report to the Legislature.
5. STOB 69 (Utilities, Materials & Supplies) includes costs for utilities, recycling, books and supplies.
6. STOB 73 (Amortization) is the cost of repaying the Capital budget expenditures for information systems hardware and software, and office furniture. Expenditures for information systems are amortized over three or five years depending on nature of the purchase. Expenditures for office furniture are amortized over five years.
7. STOB 75 (Building Occupancy) is the proportionate share of the costs associated with the office space of the four Independent Offices located at 947 Fort Street. Operating costs (e.g., building insurance, hydro, property taxes and maintenance) are anticipated to increase in subsequent years.
8. STOB 85 (Other Expenses) is the amount contributed toward the operations of Corporate Shared Services which include information technology, finance, human resources, facilities and reception.
9. CAPITAL BUDGET is for the purchase of information systems hardware and software, and office furniture, and is consistent with the Capital budget in prior fiscal years. Capital amounts are repaid through amortization expense in STOB 73.



## Proposed Operating Budget by Expenditure Type Fiscal 2017/18



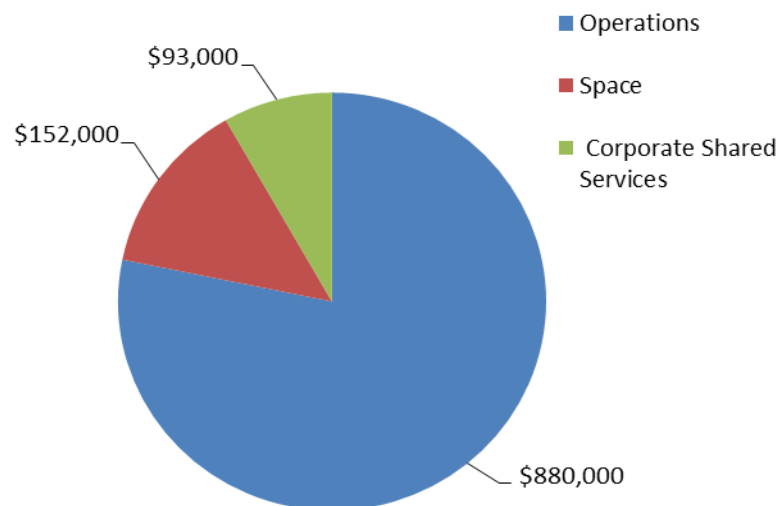
\* Other Operating STOBs includes information Systems (63), Office Expenses (65), reporting (68), Utilities (69) and amortization (73)





## Proposed Space and Shared Services Budgets Fiscal 2017/18

### Operating Budget Request Office of The Merit Commissioner



### Corporate Shared Services Budget All Offices

