



# Office of the Auditor General of Nova Scotia

## Business Plan 2011-12

### AUDITOR GENERAL'S MANDATE

The Auditor General of Nova Scotia is an officer of the House of Assembly, non-partisan and independent of government. The Auditor General is appointed by and reports to the House and derives his mandate, authority and responsibilities from the Auditor General Act.

The Auditor General's mandate includes issuing opinions on government financial reports and conducting performance audits on public sector operations. Opinions are provided annually on the government's consolidated financial statements, on the revenue estimates included in the government's annual budget, and on the financial statements of a select number of other public sector entities. Performance audits may examine and report on:

- the effectiveness of governance frameworks, including risk management, ethics and organizational direction;
- effectiveness, efficiency and economy of programs and processes;
- adequacy of controls;
- compliance with legislation, regulations and policy; and
- stewardship of government resources.

By exercising these responsibilities, the Auditor General helps the House of Assembly hold the government to account for its management of public funds, and contributes to a well-performing public sector.

### LONG-RANGE PLANNING

In 2007 the Office completed a series of long-range planning exercises which culminated in a three year strategic plan to improve the quality of the Office's services to the House of Assembly. Early in 2010, staff participated in updating the strategic plan to refine the mission, values and priorities of the Office, as well as to formulate new strategic objectives and initiatives. The new slate of initiatives is scheduled for completion during the three-year period ending March 31, 2014, after which another comprehensive strategic planning exercise will be undertaken.

This business plan highlights some of the results of the Office's long-range planning efforts, and focuses on work that is planned for 2011-12. Additional information on the results of the 2007 and 2010 long-range planning exercises is available from the Office's website ([www.oag-ns.ca](http://www.oag-ns.ca)).

### OUR VISION

A relevant, valued, and independent audit office serving the public interest as the House of Assembly's primary source of assurance on government performance.

### OUR MISSION

To make a significant contribution to enhanced accountability and performance in the provincial public sector.

## OUR VALUES

Our values are a statement of the high standards we hold in conducting ourselves and our work, and of the results we strive to achieve.

### Independence

We remain independent of the entities that we audit and are objective in our work.

### Integrity

We work together and with others in an open, honest and trustworthy manner while respecting the confidentiality of the information we obtain.

### Impact

We focus on significant issues to make a positive difference for the benefit of Nova Scotians.

## OUR PRIORITIES

The Auditor General has identified five priorities as key to the achievement of our vision.

### Serve the House of Assembly

Conduct and report audits that provide clear and relevant information to the House of Assembly to improve its ability to hold the government accountable for its performance and stewardship over public funds.

### Consider the Public Interest

Focus our audit efforts on areas of higher risk that impact on the lives of Nova Scotians.

### Improve Government Performance

Contribute to a better performing public service by conducting audits that result in practical recommendations for significant improvements.

### Enhance Government Financial Reporting

Encourage continual improvement in financial reporting by government to the House of Assembly and the people of Nova Scotia.

### Foster Workplace Excellence

Promote excellence and a professional and supportive workplace at the Office of the Auditor General.

## STRATEGIC OBJECTIVES AND INITIATIVES

The Office identified seven strategic objectives as a result of its most recent long-range planning

efforts. Twenty-one initiatives were identified to help implement the strategic objectives. The following is a list of these strategic objectives and related initiatives due to be completed in 2011-12. A complete list of initiatives is provided in the Office's 2010 Strategic Planning Update, which is available from our website.

1. Modernize and strengthen the Auditor General Act to improve the Office's mandate, authorities and independence.

(Initiative completed)

2. Significantly improve the rate of implementation of our recommendations to increase the Office's value to the House of Assembly and government.

(No projects scheduled for 2011-12)

3. Strengthen our auditing of government information technology (IT) operations to meet our stakeholders' need for assurance and recommendations for improvement.
  - Conduct audits of IT systems and associated support and control functions that address areas of higher risk to government and the public.
  - Provide timely, high-quality training in IT auditing and best practices in the use of IT systems and tools to aid staff in the performance of their audit responsibilities.
4. Optimize our knowledge and use of technology to ensure it supports the audit, administrative and confidentiality needs of the Office.
  - Ensure the security and continued availability of Office equipment and systems in order to ensure the confidentiality of sensitive information and keep the Office functioning efficiently.
  - Provide opportunities for IT Group members to advance in their knowledge, experience and skill relating to their areas of responsibility.
5. Enhance communications to strengthen stakeholder understanding of the Office and to meet the information needs of Office staff and external stakeholders.
  - Enhance communications through the Office's use of the internet.
  - Provide specific communications to auditee staff at all levels on the role and authorities of

the Office, and the processes involved in the performance of our audits.

- Improve project-related communications within teams and the Office.
6. Maximize our ability to attract, engage, develop and retain the number and quality of staff needed to function as an effective legislative audit office.
    - Evaluate the manner in which we engage and develop staff to promote retention, high performance and good career movement.
  7. Improve the standardization, communication and consistent use of Office policies and methodologies.
    - Renew the Office’s performance audit methodology and documentation.
    - Implement the new Canadian Auditing Standards.

## QUALITY ASSURANCE AND OFFICE ACCOUNTABILITY

A number of processes serve to ensure the quality of our work and our accountability to the House of Assembly. These include:

- internal quality assurance systems based on Canadian auditing standards, including multiple layers of review;
- implementing recommendations of peer reviews of our audits by other legislative audit offices;
- addressing findings of periodic reviews of financial statement audits and associated quality control systems by the Institute of Chartered Accountants of Nova Scotia;
- reporting results of independent audit of the Office’s annual financial statements to the Speaker of the House of Assembly;
- performance measures addressing elements of Office’s audit work and administration; and
- annual performance reporting to the Public Accounts Committee of the House of Assembly.

## PERFORMANCE INDICATORS

Performance indicators are elements of an entity’s work efforts, outputs and outcomes that can be measured and assessed against targets in order to evaluate the efficiency, effectiveness and quality of its operations. The Office plans to conduct in 2011-12 eight performance audits, two information technology audits, five financial statement audits, and its annual review of government’s revenue estimates. The performance indicators against which the Office will assess its audit and other performance in 2011-12 are:

Performance Indicator	Description	Office Target
1. Addressing of recommendations	Percentage of recommendations implemented after two years.	90% or higher
2. Published reports	Auditor General Reports released during year.	Two or more
3. Planned audit completed	Whether audits planned for the year were performed.	All audits completed
4. Financial audits on target	Financial audits completed by applicable target dates.	All target dates met
5. Performance audits on target	Performance audits completed by applicable target dates.	All target dates met
6. Strategic initiatives implemented	Percentage of 2011-12 initiatives implemented.	90% or higher
7. MLA satisfaction	Percentage of MLAs very satisfied or satisfied with services.	80% or higher
8. Staff satisfaction	Percentage of staff very satisfied or satisfied with job.	80% or higher

## RESOURCES

The Office is funded by an annual appropriation of the House of Assembly. The following table outlines the forecasted and budgeted expenses and staff positions of the Office for 2010-11 and 2011-12

Office of the Auditor General Net Expenses and Staffing			
	Budget 2010-11	Forecast 2010-11	Budget 2011-12
Expenses			
Salaries and benefits	\$2,903,000	\$2,877,400	\$3,129,400
Other staff expenses	120,000	120,000	100,000
Travel	65,000	71,000	47,500
Professional services	123,300	190,400	58,000
Office administration	209,700	240,100	215,100
	<u>3,421,000</u>	<u>3,498,900</u>	<u>3,550,000</u>
Recoveries from Government			
Audit fees	-	40,000	59,000
Employee wage increases	-	121,800	-
IT equipment purchases	-	17,800	-
	<u>-</u>	<u>179,600</u>	<u>59,000</u>
Net Expenses	<u>\$3,421,000</u>	<u>\$3,319,300</u>	<u>\$3,491,000</u>
Staff – Full-time-equivalent	<b>34.6</b>	<b>31.9</b>	<b>33.9</b>

The Office's major expense is salaries and benefits, which represents 88% of its expense budget for 2011-12. All but three staff members are involved in providing audit services. Non-salary office administration (\$215,100) is budgeted to be only 6% of total expenses in 2011-12

## ADDITIONAL INFORMATION

Additional information about the Office of the Auditor General of Nova Scotia can be obtained by visiting our website at [www.oag-ns.ca](http://www.oag-ns.ca) or by contacting us at:

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