



Office of the Auditor General of Nova Scotia

Business Plan 2015-16

Auditor General's Mandate

The Auditor General of Nova Scotia is an officer of the House of Assembly, nonpartisan and independent of government. The Auditor General is appointed by, and reports to, the House. He 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. The Auditor General provides annual opinions on the government's consolidated financial statements, the revenue estimates included in the government's budget, and the financial statements of certain other public sector entities. Performance and information technology 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.

Strategic Planning

In addition to providing information on the Office's vision, mission, values, priorities, performance indicators and resources, this business plan highlights some of the key strategic initiatives the Office will be working on in 2015-16 supporting our commitment to continuous improvement.

The Office governance structure recently changed. The new structure, while maintaining our fundamental vision and priorities, focusses our strategic efforts in five key areas, financial and performance audits, communications, people management and operations. An Office committee will be responsible for each area and annual work plans will be developed identifying priority areas for the year. The 2015-16 initiatives are included in the strategic initiatives section below.

Additional information on the Office is available on our Office's website (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

Our mission, vision and values guide us in our work as independent professionals adding value through audit.

The Office 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 Initiatives

The following is an overview of the key strategic initiatives that the Office plans to be completed by March 31, 2016.

- Examine the ongoing viability of our current electronic audit working papers, website design and support.
- Develop an Office communication strategy.
- Evaluate our overall information technology support requirements and resourcing.
- Conduct a comprehensive office risk assessment.
- Develop strategies for the ongoing engagement, development and appreciation of staff.
- Review and update certain aspects of our performance and financial audit practices.
- Review and update our report structure.

Audits and Other Assurance Engagements

The Office conducts a variety of audits and reviews, some of which are mandated by legislation and others which are at the discretion of the Auditor General. Our current plan is to conduct the following assignments in 2015-16.

- Audit of the province's March 31, 2015 consolidated financial statements
- Review of the government's 2016-17 revenue Estimates
- Audit of expenditure compliance and internal controls at the Nova Scotia House of Assembly.
- Audit of the March 31, 2015 financial statements of four government agencies including the new Nova Scotia Health Authority
- Planning our interim audit work related to the March 31, 2016 audit of the new Nova Scotia Health Authority

- Seven performance audits
- One information technology audit
- Follow-up of recommendations made in previous performance and financial audits
- Addressing findings of periodic reviews of our financial statement audits and associated quality control systems by the Chartered Professional Accountants of Nova Scotia
- Addressing the results of staff surveys and other performance measures focusing on elements of the Office's audit work and administration

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, including:

- Internal quality assurance systems based on Canadian auditing standards, including multiple levels of review
- Implementing recommendations from peer reviews of our audits by other legislative audit offices in Canada
- Reporting results of the independent audit of the Office's annual financial statements to the Speaker of the House of Assembly
- Submitting an annual business plan and a performance report to the Public Accounts Committee of the House of Assembly.

Performance Indicators

Performance indicators are elements of an organization'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 following are performance indicators against which the Office will assess its audit and other performance in 2015-16.

Performance Indicator	Description	Office Target
1. Implemented Recommendations	Percentage of recommendations implemented after two years	80% or higher
2. Published reports	Auditor General reports released during year	Three
3. Planned audits 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 projects completed	Percentage of 2015-16 projects completed	80% or higher
7. MLA satisfaction (Note 1)	Percentage of MLAs very satisfied or satisfied with our work	80% or higher
8. Staff satisfaction	Percentage of staff who feel this is a good place to work	80% or higher

Note 1: The Office surveys members of the Legislative Assembly every two years. The last survey was completed in April 2013 and the next survey is expected to be completed in the Fall of 2015.

Resources

The Office recovers the cost of certain financial audits through billings, but the majority of its funding is by way of an annual appropriation of the House of Assembly. The following table outlines the Office's budgeted and forecasted net expenses and staff positions for 2014-15 and 2015-16. The Office's major expense is salaries and benefits, which represents 89% of the budget for 2015-16. All but three staff members are involved in providing audit services. Non-salary office administration (\$344,586, including office rent of \$199,500) is budgeted to be 9% of net expenses in 2015-16.

Office of the Auditor General Net Expenses and Staffing			
	Budget 2014-15	Forecast 2014-15	Budget 2015-16
Expenses			
Salaries and benefits	\$3,378,600	\$3,369,600	\$3,463,064
Other staff expenses	115,000	118,000	106,650
Travel	56,000	54,000	56,000
Professional services	53,400	52,500	53,400
Office administration	217,000	234,000	344,586
	<u>3,820,000</u>	<u>3,828,100</u>	<u>4,023,700</u>
Recoveries from Government			
Audit fees	104,000	104,000	134,700
Recovery from government for portion of salary increases	-	100,000	-
	<u>104,000</u>	<u>204,000</u>	<u>134,700</u>
Net Expenses	<u>\$3,716,000</u>	<u>\$3,624,100</u>	<u>\$3,889,000</u>
Staff – Full-time-equivalent	34.0	34.0	35.0

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 or by contacting us at:

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