



Office of the Auditor General

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.

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1 Message from the Auditor General

I am pleased to present my November 2011 Report to the House of Assembly on work completed by my Office in the summer and fall of 2011.

As the Province's Auditor General, my goal is to work towards better government for the people of Nova Scotia. As an independent, nonpartisan officer of the House, I and my Office help to hold the government to account for its management of public funds and contribute to a well-performing public sector. I consider the needs of the House and the public, as well as the realities facing management, in providing sound, practical recommendations to improve the management of public sector programs.

My priorities are: to conduct and report audits that provide information to the House of Assembly to assist it in holding government accountable; to focus audit efforts on areas of higher risk that impact on the lives of Nova Scotians; to contribute to a better performing public service for Nova Scotia; and to encourage continual improvement to financial reporting by government, all while promoting excellence and a professional and supportive workplace at the Office of the Auditor General. This Report reflects this service approach.

I wish to acknowledge the valuable efforts of my staff who deserve the credit for the work reported here. As well, I wish to acknowledge the cooperation and courtesy we received from staff in departments and agencies during the course of our work.



2 Disaster Preparedness – Major Government Information Systems

The continued operation of critical provincial government information systems could be in jeopardy if a disaster were to occur. This could expose Nova Scotians to risks such as interruption of important government services (e.g., social assistance), loss of critical data (e.g., property and business records), and impaired public safety (e.g., information not being available to the courts, jails and police).

Two groups responsible for the recovery of major provincial government computer systems in the event of a disaster were examined as a part of this audit: the Chief Information Office (CIO) which is responsible for the provincial data centre and most of government's nonfinancial information systems; and the Department of Finance's Corporate Information Systems division (CIS) which is responsible for most of government's financial systems. We found that CIS has a good-quality, thorough disaster recovery plan which has been validated through testing. However, the CIO does not have a comprehensive, up-to-date plan.

In June of 2010, the CIO became responsible for disaster preparedness at the provincial data centre and inherited some disaster recovery documents created when the province's IT operations were decentralized. CIO has since started a project to create a comprehensive disaster recovery plan but, at this time, is not yet fully prepared to restore systems quickly if a disaster impacts the provincial data centre. A current, comprehensive disaster recovery plan has yet to be prepared and there is insufficient other guidance to follow in a time of crisis. Disaster response testing and training have not been performed, and there is no secondary processing site that can handle all of the critical systems hosted by the provincial data centre. We also identified some risks to the data centre which should be mitigated.

CIS is a separate information technology group. Although it uses space at the provincial data centre, it manages its own information systems. We found it has a comprehensive plan that will allow for the restoration of government's financial systems should the provincial data centre become unavailable. CIS's plan is tested regularly and includes the ability to restore systems at a secondary processing site. Nevertheless, our audit identified some areas for improvement in CIS's plan with regard to the proximity of the secondary site



to the data centre, the lack of documented procedures to provide network connectivity to the backup systems, and offsite storage of the disaster recovery plan.

Recommendations

Recommendation 2.1

The Chief Information Office should complete its disaster recovery plan as soon as possible without jeopardizing the completeness and quality of the plan.

Recommendation 2.2

The Chief Information Office should establish and implement a strategy that provides restoration facilities in the event the provincial data centre becomes unavailable.

Recommendation 2.3

The Chief Information Office should complete a business impact analysis and threat risk assessment in conjunction with its client departments and agencies to assist in the documentation of information system requirements and priorities in the event of a disaster.

Recommendation 2.4

The Chief Information Office should ensure documented disaster recovery procedures are sufficiently detailed to avoid reliance on specific staff members.

Recommendation 2.5

The Chief Information Office should test the procedures defined to recover from a disaster.

Recommendation 2.6

The Chief Information Office should develop a training strategy and provide training on the processes used to recover from a disaster.

Recommendation 2.7

The Chief Information Office should document data backup policies and procedures.

Recommendation 2.8

The Chief Information Office should ensure all services it receives that are necessary to protect and operate the data centre are covered by a written agreement.

DISASTER
PREPAREDNESS –
MAJOR GOVERNMENT
INFORMATION
SYSTEMS



Recommendation 2.9

The Chief Information Office should separate the data centre from the paper records warehouse.

Recommendation 2.10

The Chief Information Office should evaluate the cost and benefits of a gas-based fire suppression system in its current and future data centres.

Recommendation 2.11

Corporate Information Systems should perform an assessment to identify key threats and the impact of a disaster affecting both the primary and secondary data centre sites simultaneously.

Recommendation 2.12

Corporate Information Systems should include procedures required to establish alternate means of network connectivity in its disaster recovery plan so SAP users can access systems at the secondary site.

Recommendation 2.13

Corporate Information Systems should execute a written agreement for the supply of space and services needed to operate the SAP secondary site.

Recommendation 2.14

Corporate Information Systems should take steps to ensure the communication and distribution procedures of the SAP disaster recovery plan are followed.

Recommendation 2.15

Corporate Information Systems should include procedures with respect to training, awareness and lessons learned in its SAP disaster recovery plan.

3 Agriculture: Meat Inspection Program

The meat inspection program includes two key activities to help ensure the safety of meat (both unprocessed and processed) sold in the province: the inspection of all animals slaughtered, and the audits of facilities such as slaughterhouses and meat processing plants. Animal inspections are completed as required. However, the Department of Agriculture is not doing an adequate job of managing the facility audit process. As a result the audit process is not sufficiently effective in mitigating all public safety risks associated with the slaughtering and processing of meat.

The majority of the findings and recommendations in this Chapter relate specifically to the facility audit process. We believe the process lacks fundamental elements necessary to help ensure its effectiveness. We found facility audits are not being completed at the monthly frequency required by management. We are concerned that appropriate action is not being taken by inspectors to ensure deficiencies are corrected in a timely manner. Management are not providing appropriate policy guidance to inspectors in many important areas including conducting, reporting, and following up facility audits, and rating the seriousness of deficiencies. We believe that the lack of procedural guidance has resulted in inconsistencies in practices.

Management do not have sufficient information to adequately monitor and oversee program operations. Management do not know whether audit processes are operating as designed and are effective in managing risks. For example, management do not know whether required facility audits are conducted and whether identified deficiencies are addressed in a timely manner. There is no quality assurance process in place to help ensure inspectors are performing all their regulatory responsibilities appropriately.

Overall, enforcement of the program, with respect to facilities, is weak and needs improvement.



Recommendations

Recommendation 3.1

Department of Agriculture management should update the regulations to reflect the current operating procedures of the Nova Scotia meat inspection program.

Recommendation 3.2

Department of Agriculture management should develop and implement a policy to guide inspectors in assigning and documenting severity ratings for deficiencies.

Recommendation 3.3

Department of Agriculture management should require inspectors to provide a compliance date for addressing all deficiencies.

Recommendation 3.4

Department of Agriculture management should develop guidance for inspectors to use when assigning compliance dates to deficiencies.

Recommendation 3.5

Department of Agriculture management should develop and implement a policy respecting the timing of inspector follow-up of deficiencies identified during audits. The policy should include documentation requirements such as when follow-up is performed, the results, and when deficiencies are corrected.

Recommendation 3.6

Department of Agriculture management should take the steps required to obtain the authority to use other enforcement tools such as tickets when deficiencies are not corrected.

Recommendation 3.7

Department of Agriculture management should develop and implement a policy respecting the enforcement action to be taken when deficiencies are not addressed by the compliance date. The policy should include requirements for documentation of actions taken when deficiencies are not corrected.

Recommendation 3.8

Department of Agriculture management should complete a risk assessment to determine and document the required frequency of audits of slaughterhouses and meat processing plants. Management should take steps to ensure that audits are conducted as required.



Recommendation 3.9

Department of Agriculture management should develop and implement a policy outlining the frequency of water tests, specific tests to be conducted, and the process to be followed if the water needs to be treated. Management should take steps to ensure the policy is being followed.

Recommendation 3.10

Department of Agriculture management should develop and implement a policy for bacteria testing including the frequency of testing required.

Recommendation 3.11

Department of Agriculture management should take steps to ensure the following are documented in audit reports or supporting files:

- items examined in each area of the facility;
- inspector signoff indicating all required areas have been examined, deficiencies noted, and discussed with responsible facility owner/staff;
- a compliance date for each deficiency reported;
- consequences of not meeting compliance dates; and
- identification of reoccurring deficiencies.

Recommendation 3.12

Department of Agriculture management should determine their operational information needs including audit and inspection activities, and with the aid of AMANDA ensure the information is collected and available.

Recommendation 3.13

The Department of Agriculture should ensure inspectors submit detailed time reports and the information provided from those reports should be used for resource and performance management.

Recommendation 3.14

The Department of Agriculture should implement a system to regularly monitor and assess staff performance.

Recommendation 3.15

The Department of Agriculture should implement a quality assurance process which includes key operational activities.

Recommendation 3.16

Department of Agriculture management should develop and implement a policy related to the documentation and investigation of meat safety complaints.



4 Community Services and Health and Wellness: Protection of Persons in Care

Overall, we found adequate processes in place to investigate and ensure timely resolution of allegations of abuse reported under the Protection of Persons in Care Act at the Departments of Health and Wellness and Community Services. Investigations were well-documented and carried out in a timely manner.

However we found that neither Department has an appeal process if those involved are not satisfied with the outcome of the investigation. Protection of persons in care deals with a vulnerable sector of our society; these individuals should have every opportunity to be protected from abuse. An effective appeal process is an important aspect of a complaints-based program such as protection of persons in care. It provides for a second assessment of a file for those who are not satisfied with the outcome of an investigation. Accordingly, we have recommended an appeal process be implemented.

We found that Community Services has implemented a quality control program to ensure legislative requirements have been met for all files. This program includes management signoff on files. At the time of our audit, the Department of Health and Wellness was in the process of developing a quality assurance program. We have recommended that Health and Wellness complete and implement their quality assurance program including management signoff as evidence of file reviews.

We also identified some other concerns and have made minor recommendations for improvement around the information systems used to track investigations and the education provided on the Protection of Persons in Care Act.

Recommendations

Recommendation 4.1

The Department of Health and Wellness and the Department of Community Services should complete and implement their new policy manual.



Recommendation 4.2

The Department of Health and Wellness and the Department of Community Services should establish a process to ensure all complaints are tracked on intake to ensure the complaint was received at the appropriate central office.

Recommendation 4.3

The Department of Health and Wellness and the Department of Community Services should ensure the revised policy manual reflects current and planned practices. Additionally, processes should be put in place to ensure that all policies are followed.

Recommendation 4.4

The Department of Health and Wellness and the Department of Community Services should implement an appeal process for Protection of Persons in Care investigations.

Recommendation 4.5

The Department of Health and Wellness should implement a quality assurance program to ensure files meet standards. This should include management signoff for completed reviews.

Recommendation 4.6

The Department of Health and Wellness and the Department of Community Services should develop processes to ensure that the data recorded in their systems is accurate and complete.

Recommendation 4.7

The Department of Health and Wellness and the Department of Community Services should identify and implement a single information system with appropriate IT support.

Recommendation 4.8

The Department of Health and Wellness and the Department of Community Services should establish performance indicators to measure achievement towards meeting program goals.

Recommendation 4.9

The Department of Health and Wellness should maintain complete records identifying which facilities have received training on Protection of Persons in Care; this information should be used to determine ongoing training requirements.

COMMUNITY SERVICES
AND HEALTH AND
WELLNESS:
PROTECTION OF
PERSONS IN CARE



5 Energy: Canada-Nova Scotia Offshore Petroleum Board

In 2011, this Office, in cooperation with the Commissioner of the Environment and Sustainable Development of the Office of the Auditor General of Canada, began an audit of the operations of the Canada-Nova Scotia Offshore Petroleum Board (Board). The Board is responsible for important regulatory functions in offshore oil and gas, including protecting the environment, ensuring worker safety, and ensuring the province is receiving required employment and industrial benefits from offshore development.

In September 2011, we abandoned our attempt to conduct the audit after the Board, acting on the instructions of operators ExxonMobil Canada Ltd. and EnCana Corporation, denied us access to most of the information needed to conduct the audit. The denial was based on our refusal to grant the operators control over disclosure of information in our Report to the House. The Board's refusal to cooperate with the audit places it in direct contravention of the Nova Scotia Auditor General Act.

The Board, an agency of both the provincial and federal governments, regulates offshore oil and gas activities. We believe the exercise of these responsibilities should be open and transparent.

As a result of our inability to audit this agency, we are unable to provide assurance to the House of Assembly, or to the public, as to whether the Board is properly fulfilling its regulatory responsibilities; is ensuring offshore activities are being conducted safely and with due regard for the environment; and is ensuring the public interest is being protected.

We have recommended that Government take the actions needed to ensure the Canada-Nova Scotia Offshore Petroleum Board is accountable to the House of Assembly and complies with the Auditor General Act, including if necessary amending the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation (Nova Scotia) Act.

Recommendation



Recommendation 5.1

The Department of Energy should evaluate the legislative framework under which the Canada-Nova Scotia Offshore Petroleum Board operates and take the actions necessary to ensure the Board complies with the Nova Scotia Auditor General Act, including full cooperation with the Office of the Auditor General in any audit of the Board's operations. This includes providing the Office with unrestricted access to all information in its possession and acknowledging the Auditor General's right to report to the House of Assembly without interference by the Board or its operators.

ENERGY:
CANADA-NOVA SCOTIA
OFFSHORE
PETROLEUM BOARD



6 Justice: Implementation of Nunn Commission of Inquiry Recommendations

In December 2006, Commissioner Nunn submitted the report from his public inquiry to the government. The report contained 34 recommendations directed to the province, departments, or agency responsible for the matters. In January 2007, the province publicly accepted all 34 recommendations and made a commitment to implement them.

Overall, the province has taken appropriate action to address the recommendations from the Nunn Commission of Inquiry. We found the province has completed 31 of the Nunn Commission recommendations and we provided comments on the nature of the actions taken. We believe the remaining three recommendations have not been fully addressed by the province. We have made recommendations to focus efforts toward their completion.

Commissioner Nunn recommended a bail supervision program as an intermediate option between pretrial detention and release with conditions for youth facing criminal charges. The Department of Justice implemented and later cancelled the youth bail supervision program. This has resulted in a significant gap in the options available for youth. We recommended the Department of Justice evaluate and take appropriate action to address the gap.

Commissioner Nunn's recommendations to the Department of Justice included establishing a section to provide training to court staff and monitoring of court procedures. The Department established a section to monitor compliance with court administration policies but did not include a function to ensure staff training is current. The Department is taking steps to identify and address training gaps and we recommended these efforts be completed as soon as possible.

Recommendations



Recommendation 6.1

The Department of Justice should monitor training of court staff to ensure training is current.

Recommendation 6.2

The Department of Justice should evaluate and take appropriate action to address the gap between unsupervised bail and pretrial detention for youth facing criminal charges.

JUSTICE:
IMPLEMENTATION OF
NUNN COMMISSION
OF INQUIRY
RECOMMENDATIONS

