



Follow-up



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2 Follow-up of 2011 and 2012 Performance Audit Recommendations

Summary

A number of government organizations have significantly improved their implementation rate of our recommendations. Although the 57% overall implementation rate is a slight improvement from last year's 50% rate, six organizations had implementation rates above 70% this year. These are better results than last year when the top three rates were under 68%.

The overall implementation rate of 57% is, in large part, due to very low rates at five entities.

- IWK Health Centre – 20%
- Capital Health – 27%
- Department of Internal Services – 30%
- Department of Education and Early Childhood Development – 33%
- Department of Municipal Affairs – 44%

This lack of action has practical consequences in the management of programs and systems security. It means, for instance, that fire safety in municipalities may continue to be at risk and personal health information in two health authorities may not be fully protected.

Six entities with implementation rates above 70% showed significant progress in implementing our recommendations.

- Department of Justice – 83%
- Trade Centre Limited – 79%
- Department of Transportation and Infrastructure Renewal – 76%
- Department of Agriculture – 75%
- Department of Health and Wellness – 73%
- Department of Community Services – 71%

We asked government organizations that showed significant progress how they achieved it. They indicated key reasons for their high implementation rates were due to senior management communicating implementation as a priority, establishing accountability for completion at an appropriate level within the organization, developing action plans, and tracking and reporting on progress. We encourage government organizations that are not doing as well to consider implementing similar processes.

Details on the status of all performance audit recommendations from 2011 and 2012 can be found on our website at oag-ns.ca.

2 Follow-up of 2011 and 2012 Performance Audit Recommendations

Background

- 2.1 Our Office's strategic priorities include serving the House of Assembly, considering the public interest, and improving government performance. We work toward these priorities by providing legislators with the information they need to hold government accountable. We obtain this information primarily by conducting audits which, over time, will cover major activities of government. The results of our audits are detailed in our Reports to the House of Assembly. Each report contains recommendations which provide practical, constructive advice to address issues raised by these audits and improve operational effectiveness and efficiency.
- 2.2 Once recommendations have been accepted, it is government's responsibility to regularly monitor to ensure that appropriate action has been taken to implement the recommendations. We initially follow up the implementation status of recommendations two years after they are made. We believe two years is sufficient time for auditees to substantially address our recommendations.

Review Objective and Scope

- 2.3 In February 2015, we completed a review of the status of performance audit recommendations included in the 2011 and 2012 Reports of the Auditor General. Our objective was to provide moderate assurance on the implementation status of those recommendations.
- 2.4 We obtained government's assessment of their progress in implementing the 2011 and 2012 recommendations. We asked government to provide supporting information for recommendations assessed as complete. We also performed additional procedures on recommendations which government assessed as do not intend to implement or action no longer applicable. We focused on the reasons why government chose not to implement these recommendations. If the rationale appeared reasonable, we removed the recommendation from our statistics and will not conduct further follow-up work on it.
- 2.5 Our review focused on whether assessments and information provided by department and agency management were accurate, reliable and complete.



For those recommendations assessed as complete, we substantiated the assessment through interviews and examination of documentation. We performed sufficient work to satisfy us that the implementation status of complete, as described by management, is plausible in the circumstances. This provides moderate, not high level, assurance. Further information on the difference between high and moderate assurance is available in the CPA Canada Handbook – Assurance, Section 5025 – Standards for Assurance Engagements other than Audits of Financial Statements and Other Historical Financial Information.

- 2.6 Our criteria were based on qualitative characteristics of information as described in the CPA Canada Handbook. We did not perform any procedures, and provide no assurance on recommendations noted in this report other than those we have reported as complete.

Significant Observations

Review Results

- 2.7 Recommendations in 2011 and 2012 – There were 344 recommendations made in our 2011 and 2012 reports. Eight recommendations were reported to us as do not intend to implement. We reviewed the information provided by government with respect to these recommendations and determined the rationale provided for four recommendations is reasonable. These recommendations have been removed from further analysis and statistics, leaving 340 recommendations for the two years.

► Overall implementation rate of 57% shows slight improvement from prior year

- 2.8 Implementation status – The following exhibits summarize the implementation status of the 340 recommendations made in our 2011 and 2012 reports.

Table with 4 columns: Implementation Status, 2011 Reports, 2012 Reports, Overall. Rows include Complete (61%, 54%, 57%), Not Complete (38%, 45%, 42%), Do Not Intend to Implement (1%, 1%, 1%), and a total row (100%, 100%, 100%).



Overall Results from 2011 and 2012 Reports

May 2011	Complete	Not Complete	Do Not Intend to Implement	Total
Chapter 3 – Financial Assistance to Business through NSBI and IEF	12	6	0	18
Chapter 4 – Colchester Regional Hospital Replacement	10	4	0	14
Chapter 5 – Long Term Care – New and Replacement Facilities	3	3	1	7
Chapter 6 – Office of the Fire Marshal	11	14	0	25
Chapter 7 – Registry of Motor Vehicles	16	5	0	21
Chapter 8 – Registry of Motor Vehicles Information and Technology	8	5	0	13
Total	60 61%	37 38%	1 1%	98 100%

November 2011	Complete	Not Complete	Do Not Intend to Implement	Total
Chapter 2 – Disaster Preparedness – Major Government Information Systems	4	10	0	14
Chapter 3 – Meat Inspection Program	12	4	0	16
Chapter 4 – Protection of Persons in Care	12	4	0	16
Chapter 5 – Canada-Nova Scotia Offshore Petroleum Board	0	1	0	1
Chapter 6 – Implementation of Nunn Commission of Inquiry Recommendations	1	0	1	2
Total	29 59%	19 39%	1 2%	49 100%

May 2012	Complete	Not Complete	Do Not Intend to Implement	Total
Chapter 2 – Follow-up of 2005 to 2009 Performance Audit Recommendations	1	0	0	1
Chapter 3 – Addiction Services at Annapolis Valley Health	7	5	1	13
Chapter 4 – Infection Prevention and Control at Cape Breton District Health Authority and Capital Health	31	3	0	34
Chapter 5 – Nova Scotia Prescription Monitoring Program	13	4	0	17
Chapter 6 – Office of Public Trustee	14	2	0	16
Total	66 82%	14 17%	1 1%	81 100%



November 2012	Complete	Not Complete	Do Not Intend to Implement	Total
Chapter 2 – Home Schooling	4	8	0	12
Chapter 3 – Capital Health and IWK Health Centre Personal Health Information Systems	8	50	0	58
Chapter 4 – Hospital System Capital Planning	11	11	0	22
Chapter 5 – Trade Centre Limited	15	4	1	20
Total	38 34%	73 65%	1 1%	112 100%

2.9 The overall implementation rate this year is 57%, a slight increase from the 50% implementation rate reported in May 2014. The response from government in implementing recommendations is improving, although certain organizations need to do better. Sixty-one percent of recommendations from our 2011 reports and 54% from our 2012 reports have been completed.

► Six government entities had positive results with implementation rates over 70%

2.10 *Government entity analysis* – The results by government entity provide an indication of which organizations have made it a priority to address our recommendations. We analysed the implementation rates for the 13 organizations to which we made a significant number of recommendations. Eight entities had rates over 50%; six of those were above 70%. This is an improvement from last year when only three entities had rates over 50%, with the highest at 67%.

- Department of Justice – 83%
- Trade Centre Limited – 79%
- Department of Transportation and Infrastructure Renewal – 76%
- Department of Agriculture – 75%
- Department of Health and Wellness – 73%
- Department of Community Services – 71%
- Department of Economic and Rural Development and Tourism – 64%
- Service Nova Scotia – 58%

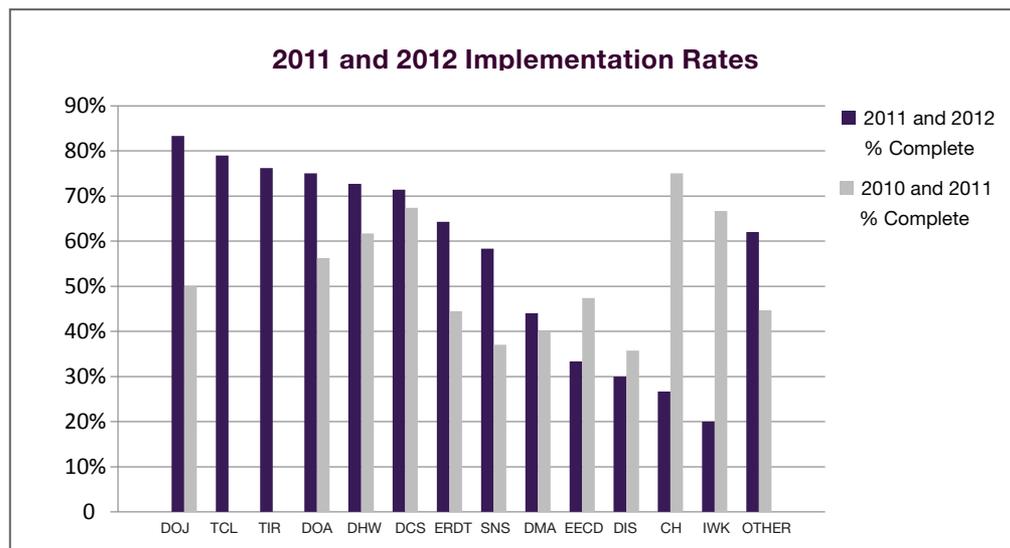
2.11 The remaining five organizations had implementation rates of less than 50%.

2.12 We asked government entities that showed significant progress how they achieved it. Many of the key reasons for their success in achieving high implementation rates were similar, including:



- communication by senior management that implementing the recommendations was a priority;
- clear objectives and accountability established at an appropriate level within the organization;
- developing action plans and tracking progress; and
- periodic reporting on progress to senior management.

2.13 The following graph compares this year’s 2011 and 2012 implementation rates with last year’s rates for the 2010 and 2011 reports.



DOJ = Department of Justice
 TCL = Trade Centre Limited
 TIR = Department of Transportation and Infrastructure Renewal
 DOA = Department of Agriculture
 DHW = Department of Health and Wellness
 DCS = Department of Community Services
 ERDT = Department of Economic and Rural Development and Tourism
 SNS = Service Nova Scotia
 DMA = Department of Municipal Affairs
 EECD = Department of Education and Early Childhood Development
 DIS = Department of Internal Services
 CH = Capital Health
 IWK = IWK Health Centre

► Five government entities had disappointing results with rates under 45%

2.14 The following paragraphs outline our concerns with the five government entities with the lowest implementation rates and to which a significant number of recommendations were made.

2.15 *Personal health information systems audit* – Low implementation rates of 20% (five of 25) for the IWK Health Centre and 9% (three of 33) for Capital Health (now part of the Nova Scotia Health Authority) relate to recommendations from our November 2012 audit of personal health information systems. Important systems security recommendations to the IWK and Capital Health, such as upgrading and restricting access to protect databases; and strengthening, reviewing and disabling passwords, have not

been completed. Management at both entities told us some of the delay in implementing the recommendations was due to the expected merger of the nine health authorities (excluding the IWK) and the need to consider system implementation on a province-wide level. As well, since the April 1, 2015 merger, several recommendations are expected to become the responsibility of the Department of Internal Services. Other recommendations will require coordinated action between the new Nova Scotia Health Authority, the IWK, and Internal Services, with responsibility for a smaller number solely within the Health Authority or the IWK. Management at both entities indicated they are continuing work on implementing the recommendations for which they have either sole or joint responsibility.

- 2.16 *Capital Health* – The overall implementation rate for Capital Health (now part of the Nova Scotia Health Authority) was 27% (12 of 45) for 2012 recommendations. Thirty-three of the recommendations were from our audit of personal health information systems, with only three implemented, as discussed in the previous paragraph. The implementation rate for the recommendations from two other audits in 2012 was 75% (nine of 12), which is a positive result.
- 2.17 *Department of Internal Services* – The Department of Internal Services implemented 30% (three of 10) of the recommendations from our 2011 reports (formerly addressed to the Chief Information Office). Nine of the recommendations relate to our audit of disaster preparedness. Among those still not complete, is the establishment of a secondary processing site that can handle all critical systems in the event of a disaster to the provincial data centre. Management told us the Department has made progress on this recommendation through identifying key systems and developing a strategy for handling key system processing during a disaster. The strategy considers the changing nature of systems and technology and is a long-term plan. The Department also established a process for tracking and reporting progress in implementing the recommendations which are not complete.
- 2.18 *Department of Education and Early Childhood Development* – The Department of Education and Early Childhood Development implemented 33% (four of 12) of the recommendations from our 2012 home schooling audit. The Department has not established expected learning outcomes for home schooled children or required periodic, independent assessment of their progress. The Department told us full implementation of certain of the recommendations would require significant resources. Establishing expected learning outcomes and monitoring progress of home schooled students is a complex undertaking given the range of grades and learning philosophies to be considered. It could require mirroring, to some extent, the systems in place for the public school system. Department management told us they intend to continue to make improvements in the home schooling program and work towards full implementation.



2.19 *Department of Municipal Affairs* – The Department of Municipal Affairs implemented 44% (11 of 25) of the recommendations from our 2011 audit of the Office of the Fire Marshal (formerly part of the Department of Labour and Advanced Education). Important recommendations related to the monitoring of municipalities have not been completed. Management informed us the transfer of the Office of the Fire Marshal to the new Department of Municipal Affairs in early 2014, the necessity to coordinate with municipalities of various sizes, and some resourcing issues, slowed the Department’s progress in implementing the recommendations. The Department has taken steps to refocus its efforts toward completing implementation of the recommendations.

2.20 Although we are disappointed with the rates of implementation for the five government entities noted in the paragraphs above, management in those organizations provided plausible reasons why significant progress was not made and indicated they will continue to work towards complete implementation of the recommendations. We encourage the entities to consider the practices of the organizations with high implementation rates and implement similar processes.

► Ninety-nine percent of recommendations continue to be accepted for implementation

2.21 *Do not intend to implement or action no longer required* – While 99% of our recommendations continue to be accepted for implementation, we disagree with government’s rationale for not accepting four of our 340 recommendations (1%) from the 2011 and 2012 reports. The issues which the recommendations addressed still exist, as noted below.

- The Department of Health and Wellness does not intend to include wait list information concerning long term care placement on its website. This could help Nova Scotians make more informed decisions concerning placement in long term care facilities.
- The Department of Justice does not intend to take action to address the gap between unsupervised bail and pretrial detention for youth facing criminal charges. Compliance with bail conditions is more likely when there is some mechanism to monitor compliance.
- The Department of Health and Wellness does not intend to implement a single, province-wide intake and wait list for withdrawal management programs. This could help improve efficiency in delivering addiction services.
- The government does not intend to obtain an independent second opinion on market projections for the new convention centre. This would provide it with the best information for planning purposes.