



Office of the Auditor General

Auditor General's Statement to the Media

Release of November 2015 Report to the Nova Scotia House of Assembly
11/18/2015



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Good morning, ladies and gentlemen. Thank you for coming.

Today, I presented to the Members of the legislature my report on five performance audits completed in 2015.

The report includes the results of five audits and examines a number of government departments, three school boards and other entities, including correctional facilities and housing authorities.

I want to thank my staff for their tremendous efforts to produce this report. Also my thanks goes out to the public servants across government whose cooperation is essential to our work.

In summary, we found that:

On our audit of governance and oversight of three regional school boards we found that all three governing boards generally get good information from management. Chignecto-Central, Halifax and Strait boards all do a good job of following the continuous school improvement process.

However, the three boards we examined each have areas for improvement. These include:

- getting more information on how students with individual program plans are progressing;
- doing a better job of superintendent evaluations; and
- getting more information on teacher and principal evaluations.

We also looked at the Department of Education and Early Childhood Development and found that its oversight of educational services in schools is not sufficient.

The department has not set performance standards for school boards to meet. While the Department administers provincial assessments in literacy and math, it has no performance targets setting out expectations for how students should perform.

Such targets would identify schools in which things are going well that may be a source of best practices for other schools. They would also help identify schools which may need additional help.

The Government of Nova Scotia spends approximately \$1.2 billion per year to educate 120,000 students in Nova Scotia and accountability for educational success is critical.

The audit found that the Education Act does not clearly define the accountability of the elected board to the Minister.

Our audit of funding to universities found that Labour and Advanced Education is not regularly monitoring the financial health of universities. Nova Scotia's ten universities are an important component of the provincial economy. Universities contribute approximately \$1.4 billion to the provincial gross domestic product each year.

The ten Universities in Nova Scotia received approximately \$317 million in operating grants in 2014-15.

Despite this, most funding to universities is provided with no accountability back to the province for how it was spent. We also noted, at the time of our audit, there was no overall path for universities to achieve long-term sustainability.

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We noted that some of the objectives in the province's 2012-2015 memorandum of understanding with universities were met. However, changes were not achieved in important areas such as:

- improving the number of under-represented population groups attending university;
- implementing key quality indicators for all universities to report on; and
- updating how provincial funding is allocated among universities.

At this point funding is allocated based on 2011 enrollment data which is now out of date.

Additionally, agreements with individual universities to contribute to a sustainable system do not have regular reporting results and no time period for completion.

We reported on our examination of government's business continuity planning to see if departments and other entities such as Housing Nova Scotia and school boards have plans to respond and recover from incidents that disrupt government's ability to deliver critical services.

We looked to see if business continuity plans first addressed staff safety, and then to see if plans exist to resume services. In summary, we looked at 4 departments, 2 of 8 school boards, 4 of 5 correctional facilities, and 3 of 5 housing offices.

First, we examined whether there was overall responsibility for business continuity planning in the provincial government. We found there is no overall government responsibility for business continuity planning. This does not promote efficient and effective government operations.

It is important to note that there is no prioritized list of government programs and services so that government management knows which are the most significant areas that should be restored first in the event of a large-scale disruption.

We also noted that many government entities cannot be sure they can maintain critical services in the event of an emergency.

One of the concerns we identified include some schools not conducting all the emergency drill they are required to during the year according to the schedule outlined in their policies.

For example, all schools are required to conduct 6 fire drills during the school year, but these are to be timed so that one is conducted within the first week of school, and all three first term fire drills are to be conducted in the first eight weeks of the school year.

We tested a total of 15 schools in the two boards and noted that not all schools were conducting these tests per the schedule. We outline the details of these tests in the report.

We also found that housing offices did not have sufficient communication plans to notify clients in housing units should there be a disruption to services. We were also concerned to observe that the new correctional facility in Pictou County was open for six months without having a business continuity plan. Business continuity plans at the other facilities were generally complete, especially at the Youth Facility where we noted plans were documented and had been tested.

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We also looked at the continuity plans for the Department of Finance and Treasury Board, the Department of Education and Early Childhood Development, the Department of Justice, and the Legal Services Division within the Department of Justice. Departments' business continuity plans were in various stages of development.

For example, the Department of Justice currently does not have a coordinated departmental plan.

In another audit I report on our examination of the effectiveness of Government's monitoring of its funding to municipalities. In a typical year, the Government of Nova Scotia disburses approximately \$130 million to the municipalities across the Province.

We found the Department of Municipal Affairs needs to do a better job of monitoring the financial information municipalities submit. The Department had a significant backlog of information to review. While it caught up on some of this, reviews by municipal advisors still need work.

We also found that Municipal Affairs reports certain municipal financial indicators publicly. However, when those indicators are negative it may point to potential troubles. The Department does not have a process to follow up and assist municipalities in:

- identifying possible causes, and
- developing action plans to address issues.

We concluded that Municipal Affairs followed its processes to review and approve municipal temporary borrowing but needs to complete a more thorough risk analysis and consider whether the municipality is able to pay for an asset before the asset reaches the end of its useful life.

The last chapter in my 2015 Fall Report looked at forest management and protection. We found the Department of Natural Resources did a good job of developing a long-term strategic plan.

Nova Scotians, as well as subject experts, were consulted in developing it.

However, Natural Resources needs to improve its monitoring of how the strategy is implemented.

The audit also found that Natural Resources does not make sure timber harvest reporting is accurate. The Department relies on information reported by operators and does not assess that information to see if it is reasonable.

Additionally, the Department's inspection of operator's silviculture activities is based on inspector workload and not an assessment of which sites may be more risky.

In concluding, I would like to call your attention to a new initiative in my Office. Later today, once the report is officially tabled in the House of Assembly, my Office's website will include 5 - 90 second videos summarizing the key points in each of the 5 chapters. I invite you to go to our website if you are interested in using these videos in your work.

Thank you. I am happy to take any questions you may have.