



# **Report on Performance**

## **2023-24**

**Office of the Auditor General**  
Independence • Integrity • Impact

## Introduction

The Office of the Auditor General serves the House of Assembly by conducting and reporting upon audits to provide members of the Legislature with information they can use to hold the government accountable for its management of public funds, programs and services. The Auditor General is an officer of the House of Assembly. To help fulfill this accountability, the Office prepares an annual business plan, performance report, and financial statements, which are independently audited.

This performance report illustrates the Office's results in meeting its goals for the 2023-24 fiscal year. It presents our progress in completing various strategic projects and outlines several performance indicators that help assess the productivity, quality, and value of our work. It also summarizes our audited financial statements and comments on financial performance in comparison to our 2023-24 budget.

## Strategic Initiatives

In 2023-24, the Office focused on the following initiatives, and with significant effort, was able to complete all by March 31, 2024.

Strategic Initiatives: 2023-24	Completed	In Progress
• Conduct an office-wide engagement survey to foster a culture of continuous improvement, facilitate collaborative and data-driven decision making, and promote the well-being and overall success of both employees and the Office.	X	
• Review and refine the performance management model ensuring it will maximize individual and organizational performance, boost employee engagement, and drive business success.	X	
• Amplify visibility and accessibility of our reports by leveraging our social media platforms.	X	
• Revise the Internal Communications Plan to align communication strategies with Office objectives, empower employees, and ensure effective and meaningful communication across the organization.	X	
• Develop a three-year performance audit plan.	X	
• Streamline and standardize the process for audit selection, related scope and reporting to increase the number of audits, ensure they are delivered on time and budget, and are impactful with practical recommendations for improvement.	X	
• Collaborate with the Public Accounts Committee to advance its effectiveness in holding Government accountable.	X	

## Performance Indicators



 Performance Indicator	 Description	 Office Target	 2023-24 Result
1. Performance audits	Number of planned performance audits reported	Six	Six
2. Performance audit recommendations	Percentage of performance audit recommendations accepted	95% or higher	88%
3. Financial audits	Percentage of financial audits completed by applicable target dates	100%	100%
4. Strategic Initiatives	Percentage of 2023-24 strategic initiatives completed	80% or higher	100%
5. MLA satisfaction	Percentage of MLAs satisfied with our work	80% or higher	92%
6. Employee engagement	Employee engagement index *	80 or higher	80%

\* Vital metric that measures the level of satisfaction, commitment, and enthusiasm among our employees.

# Summary Financial Statements



## Report of the Independent Auditor on the Summary Financial Statements

To the Speaker of the Nova Scotia House of Assembly and the Members of the Public Accounts Committee

### Opinion

The summary financial statements, which comprise the summary statement of financial position as at March 31, 2024, and the summary statement of operations for the year then ended, and related notes, are derived from the audited financial statements of the Office of the Auditor General (the Office) for the year ended March 31, 2024.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, in accordance with the basis described in Note 1.

### Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Canadian Public Sector Accounting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the Office's audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

### The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated June 13, 2024.

### Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with the basis described in Note 1.

### Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, *Engagements to Report on Summary Financial Statements*.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Halifax, Nova Scotia

June 13, 2024

## Summary Statement of Financial Position As at March 31, 2024

	2024	2023
Financial Assets		
Petty cash	\$ 250	\$ 250
Accounts receivable	84,276	73,330
Due from government	276,765	170,089
	<hr/>	<hr/>
	361,291	243,669
Liabilities		
Accounts payable	176,959	67,585
Accrued liabilities	2,600	2,315
Accrued salaries, benefits and vacation	388,728	334,152
	<hr/>	<hr/>
	568,287	404,052
Net debt	<hr/>	<hr/>
	(206,996)	(160,383)
Non-financial Assets		
Prepaid expenses	49,570	36,656
Tangible capital assets	157,426	123,727
	<hr/>	<hr/>
	206,996	160,383
Accumulated Surplus	<hr/>	<hr/>
	\$ nil	\$ nil



## Summary Statement of Operations Year ended March 31, 2024



	2024 Budget	2024 Actual	2023 Actual
<b>Revenues</b>			
Government contributions	\$6,061,000	\$5,510,911	\$4,785,902
Professional Fees	345,000	360,804	362,900
	<u>6,406,000</u>	<u>5,871,715</u>	<u>5,148,802</u>
<b>Expenses</b>			
Salaries and benefits	5,012,000	4,710,472	4,213,973
Professional services	555,000	516,180	336,163
Office lease and taxes	250,000	239,598	237,861
Office supplies	147,000	45,017	29,415
Staff training	145,000	99,142	103,497
Other services	98,000	49,290	35,083
Membership dues	90,000	61,369	50,231
Travel	85,000	44,890	23,095
Telecommunications	20,000	13,544	11,552
Parking	4,000	3,630	4,859
Amortization	nil	56,370	45,780
	<u>\$6,406,000</u>	<u>5,839,502</u>	<u>5,091,509</u>
Transfer (to) from General Revenue Fund		(32,213)	(57,293)
Annual Surplus (Deficit)		nil	nil
Accumulated Surplus (Deficit), beginning of year		nil	nil
Accumulated Surplus (Deficit), end of year		\$ nil	\$ nil

### Note 1 – Summary financial statements

The summary financial statements are derived from the complete audited financial statements, prepared in accordance with Canadian public sector accounting standards, as at March 31, 2024 and for the year then ended.

The preparation of these summary financial statements requires management to determine the information that needs to be reflected so that they are consistent in all material respects with, or represent a fair summary of, the audited financial statements.

Management prepared these summary financial statements using the following criteria:

- The summary financial statements include the summary statement of financial position and summary statement of operations.
- Management determined that the statements of changes in net debt and cash flow do not provide additional useful information and as such, have not included them as part of the summary financial statements.
- Information in the summary financial statements agrees with the related information in the complete audited financial statements including comparative information and all major subtotals and totals.
- In all material respects, the summary financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete audited financial statements, including significant accounting policies and the notes thereto.

The complete audited financial statements of the Office of the Auditor General of Nova Scotia are available on our website or upon request by contacting the Office of the Auditor General of Nova Scotia.

### Note 2 – Commitments

The Government of Nova Scotia has entered into a lease agreement on the Office's behalf for office space. The agreement expires in April 2027. Commitments for lease payments and associated operating costs for the next five fiscal years are estimated to be:

2024-25	\$245,000
2025-26	\$250,000
2026-27	\$255,000
2027-28	\$ 22,000

## Financial Stewardship and Accountability to the Public



The Office strives to be a leader in accountability and stewardship over the resources entrusted to us to fulfill our role to the House of Assembly and Nova Scotians. Examples of how we demonstrate accountability and stewardship include making public our annual business plans and performance reports, audited financial statements, audit reports and plans, and disclosure of our executive team's travel and hospitality expenses. The Office has underspent its approved budget in each of the last 16 years.



	2024 Budget	2024 Actual	(Under)/ Over Budget
<b>Revenues</b>			
Government contributions	\$6,061,000	\$5,510,911	\$(550,089)
Professional fees	345,000	360,804	15,804
	<u>6,406,000</u>	<u>5,871,715</u>	<u>\$(534,285)</u>
<b>Expenses</b>			
Salaries and benefits	5,012,000	4,710,472	(301,528)
Professional services	555,000	516,180	(38,820)
Office lease and taxes	250,000	239,598	(10,402)
Office supplies	147,000	45,017	(101,983)
Staff training	145,000	99,142	(45,858)
Other services	98,000	49,290	(48,710)
Membership dues	90,000	61,369	(28,631)
Travel	85,000	44,890	(40,110)
Telecommunications	20,000	13,544	(6,456)
Parking	4,000	3,630	(370)
Amortization	nil	56,370	56,370
	<u>\$6,406,000</u>	<u>\$5,839,502</u>	<u>\$(566,498)</u>

## Financial Performance Variances

Actual government contributions are determined by the level of actual expenditures incurred by the Office. 2023-24 government contributions were \$566,498 less than budget, primarily due to the following significant variances in expenses.

- Our budget for salaries and benefits was underspent by \$301,528, primarily due to unexpected vacancies and re-filling positions at lower salary classifications.
- Our budget for professional services was underspent by \$38,820, primarily due to shifting of specialized audit work to the subsequent year.
- Our budget for office supplies was underspent by \$101,983, primarily due to purchases that met the Office's threshold to capitalize and were therefore not fully expensed in the year.
- Our budget for staff training was underspent by \$45,858, primarily due to required training courses coming in under budget.
- Our budget for other services was underspent by \$48,710, primarily due to renovation work that met the Office's threshold to capitalize and was therefore not fully expensed in the year.
- Our budget for membership dues was underspent by \$28,631, primarily due to fewer FTEs and specialized accreditations than anticipated.
- Our budget for travel was underspent by \$40,110, primarily due to increased opportunities to connect virtually.
- The Office does not budget for amortization, as the assets it capitalizes for its audited financial statements are below the threshold for capitalization in the Province's financial statements.

## Other Accomplishments and Events

The Auditor General's office continued to build on the list of growing accomplishments by undertaking three health-related audits and wrapping up dozens of initiatives tied to a five-year Strategic Plan.

In 2024, our new Health Audit Team, initiated a groundbreaking audit of Cybersecurity Readiness in Healthcare for a fall release. The report furthers the impactful work carried out over the last year with audits of the province's Ground Ambulance Service and The Development of Transitional Care Facilities.

Annual healthcare spending now tops \$6.5 billion (almost half of the provincial budget), and the Auditor General and her team are focused on work that will provide timely and effective recommendations on Nova Scotia's changing and expanding health system.

The Office's Strategic Plan, launched in 2021-22 to identify key priorities over the next five years, is nearing 85% completion. We continue to refine and perfect the ways we serve the House of Assembly, consider the public interest, and improve and enhance government financial reporting and performance while fostering excellence in our office.

We continued our efforts to promote acceptance and respect for individual and community differences and encourage an inclusive work environment. We held two all-staff sessions, including Understanding Autism in the Workplace, and Coping and Resilience in the Workplace, with session leaders from Autism Nova Scotia and Telus Health.

Our staff continue to thrive in their roles as executive and committee members on national committees connected to the Canadian Council of Legislative Auditors. And through our own in-house committees, our employees were key to creating a new Business Continuity and Disaster Recovery Process and updating our Internal Communications Plan and Employee Handbook.

We exceeded our annual United Way campaign fundraising target by almost 50% (goal of \$6,500 and raised \$9,746). In addition, an ambitious group of auditors and staff contributed dozens of hours on a "Day of Caring" at the YMCA of Greater Halifax/Dartmouth.

Throughout 2024, we continued to support and advise the Public Accounts Committee by briefing the committee on audit reports, as well as numerous other topics.



## Additional Information

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