



REPORT ON PERFORMANCE

2024-25

OFFICE OF THE AUDITOR GENERAL

INTRODUCTION

The Office of the Auditor General serves the House of Assembly by conducting and reporting 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 2024-25 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 2024-25 budget.





STRATEGIC INITIATIVES

In 2024-25, the Office focused on the following initiatives and was able to complete two of the three by March 31, 2025. Our initiative on selecting and implementing optimal technology tools remains ongoing.

Strategic Initiatives: 2024-25	Completed	In Progress
• Implement Action Plan following feedback from our 2023 employee engagement survey	X	
• Select and implement optimal technology tools for audit and non-audit functions to improve operational effectiveness		X*
• Continue to engage with the Province’s Health Leadership Team to assist in selecting relevant, impactful health audit topics	X	

*This initiative is a long-term project which includes a comprehensive review of the Office’s audit, human resources, and file storage software. A project team has been formed and progress has been made in assessing potential alternatives. Work will continue in future years on this initiative.

PERFORMANCE INDICATORS

 Performance Indicator	 Description	 Office Target	 2024-25 Result
1. Performance Audits	Number of planned performance audits reported	Six	Four*
2. Performance audit recommendations	Percentage of performance audit recommendations accepted	95% or higher	98%
3. Financial audits	Percentage of financial audits completed by applicable target dates	100%	100%
4. Strategic Initiatives	Percentage of 2024-25 strategic initiatives completed	80% or higher	67%

*Tabling of performance audit reports in 2024-25 was impacted by unexpected staff vacancies, along with changes in the nature and scope of planned audits resulting in them taking longer than anticipated to report.

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, 2025, 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, 2025.

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 24, 2025.

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.

Chartered Professional Accountants

Halifax, Nova Scotia

June 24, 2025

SUMMARY STATEMENT OF FINANCIAL POSITION

As at March 31, 2025

	2025	2024
Financial Assets		
Petty cash	\$ 250	\$ 250
Accounts receivable	192,378	84,276
Due from government	108,419	276,765
	<u>301,047</u>	<u>361,291</u>
Liabilities		
Accounts payable	14,461	176,959
Accrued liabilities	73,151	2,600
Accrued salaries, benefits and vacation	435,358	388,728
	<u>522,970</u>	<u>568,287</u>
Net debt	<u>(221,923)</u>	<u>(206,996)</u>
Non-financial Assets		
Prepaid expenses	66,634	49,570
Tangible capital assets	155,289	157,426
	<u>221,923</u>	<u>206,996</u>
Accumulated Surplus	<u>\$ nil</u>	<u>\$ nil</u>



SUMMARY STATEMENT OF OPERATIONS

Year ended March 31, 2025

	2025 Budget	2025 Actual	2024 Actual
Revenues			
Government contributions	\$6,278,000	\$5,900,032	\$5,510,911
Professional Fees	355,000	391,744	360,804
	<u>6,633,000</u>	<u>6,291,776</u>	<u>5,871,715</u>
Expenses			
Salaries and benefits	5,418,000	5,169,596	4,710,472
Professional services	481,000	506,691	516,180
Office lease and taxes	250,000	239,598	239,598
Staff training	125,000	99,502	99,142
Other services	103,000	51,000	49,290
Membership dues	90,000	62,408	61,369
Office supplies	83,000	45,004	45,017
Travel	59,000	53,485	44,890
Telecommunications	20,000	13,917	13,544
Parking	4,000	4,100	3,630
Amortization	nil	54,714	56,370
	<u>\$6,633,000</u>	<u>\$6,300,015</u>	<u>\$5,839,502</u>
Transfer (to) from General Revenue Fund		8,239	(32,213)
Annual Surplus (Deficit)		nil	nil
Accumulated Surplus (Deficit), beginning of year		nil	nil
Accumulated Surplus (Deficit), end of year		<u>\$ nil</u>	<u>\$ nil</u>

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, 2025 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:

- (a) The summary financial statements include the summary statement of financial position and summary statement of operations.
- (b) 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.
- (c) 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.
- (d) 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 three fiscal years are estimated to be:

2025-26	\$245,000
2026-27	\$250,000
2027-28	\$ 21,000

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 17 years.

	2025 Budget	2025 Actual	(Under)/Over Budget
Revenues			
Government contributions	\$6,278,000	\$5,900,032	\$(377,968)
Professional fees	355,000	391,744	36,744
	<u>6,633,000</u>	<u>6,291,776</u>	<u>\$(341,224)</u>
Expenses			
Salaries and benefits	5,418,000	5,169,596	(248,404)
Professional services	481,000	506,691	25,691
Office lease and taxes	250,000	239,598	(10,402)
Staff training	125,000	99,502	(25,498)
Other services	103,000	51,000	(52,000)
Membership dues	90,000	62,408	(27,592)
Office supplies	83,000	45,004	(37,996)
Travel	59,000	53,485	(5,515)
Telecommunications	20,000	13,917	(6,083)
Parking	4,000	4,100	100
Amortization	Nil	54,714	54,714
	<u>\$6,633,000</u>	<u>\$6,300,015</u>	<u>\$(332,985)</u>

FINANCIAL PERFORMANCE VARIANCES



Actual government contributions are determined by the level of actual expenditures incurred by the Office. 2024-25 government contributions were \$377,968 less than budget, primarily due to the following variances in expenses.

- Salaries and benefits were \$248,404 less than budget primarily due to unexpected vacancies offset by increases for economic adjustments and reclassifications which were not budgeted.
- Other services were \$52,000 less than budget primarily due to renovation costs that met the Office's threshold to be capitalized and were not fully expensed in the year, as well as the Office not going ahead with an originally planned software purchase.
- Office supplies were \$37,996 less than budget primarily due to not proceeding with planned computer hardware upgrades.
- 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 role is to audit the finances and activities of the Government of Nova Scotia. But the scope of our work stretches beyond the dollars and cents of the public purse, and its impact reaches across provincial borders.

Over the last year, the office produced audits with recommendations that spurred a government policy update to the School Code of Conduct (as well as other audit offices to consider similar work).

The findings in another audit, Cybersecurity Readiness in Healthcare, were so concerning that the Auditor General committed to check back within a year to ensure action plans are in place to mitigate risk to Nova Scotia's digital health network.

The office tabled our 2024 Financial Report which included information on the results of our financial audits, the Province's finances from the 2023-24 Public Accounts as well as other topics of interest such as the \$1.34 billion in additional appropriations spent in 2023-24, and the Province's use of alternative procurement.

The challenges and outcomes stemming from our audit work over the past year resonated with AG offices across the country. Many of our staff serve as executive, committee members and presenters on national committees and at conferences connected to the Canadian Council of Legislative Auditors, which includes the 10 provincial Auditors General and the federal Auditor General.

As a result of government-proposed (and subsequently withdrawn) amendments to the Auditor General Act, the Auditor General held a news conference and was interviewed by regional and national media. The outreach and the associated media coverage helped raise awareness of our office and the work that we do on behalf of all Nova Scotians.

Our staff are constantly striving to learn and improve. Several auditors achieved new designations and certifications this past year including Certified Fraud Examiner, Certified Information Systems Auditor, and Certified Internal Auditor.

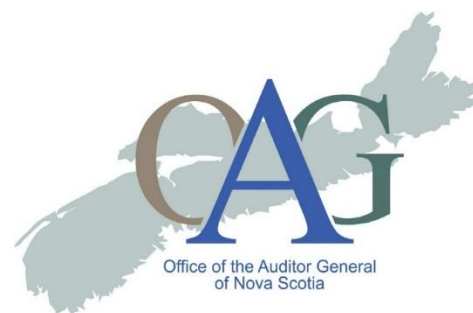
This newfound knowledge helps us provide a varied training program for our new recruits as they navigate the auditing process. We are a certified learning office and designed to help new auditors prepare for their Chartered Professional Accountant program. This year we have two students enrolled in the program and we also welcomed two university co-op students for the summer months.

Our office continues to promote acceptance and respect for individual and community differences and encourage an inclusive work environment. During one of our two all-day staff sessions, we learned about Communication Skills for Psychological Safety from the Nova Scotia Chapter of the Canadian Mental Health Association.

The Auditor General presented to more than 100 Child and Youth Advocates during their national meeting in Halifax over the summer.

On the volunteer front, our entire office worked together to raise more than \$8,000 for the annual United Way campaign, blowing past our goal for the fourth year in a row. We also had staff teams take part in both the United Way swimathon and the Bluenose Marathon Relay, and more than a dozen employees signed on for a healthy "steps" competition with the Internal Audit Centre.

We continued to support and advise the Public Accounts Committee by briefing the committee on our audit reports, maintaining an important and lasting connection with Nova Scotia's Legislative Assembly as our office celebrated its 115th year in office.



Additional Information

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