



Office of the Auditor General of Nova Scotia

Business Plan 2017-18

Auditor General's Mandate

The Auditor General of Nova Scotia is an officer of the House of Assembly, nonpartisan and independent of government. The Auditor General is appointed by, and reports to, the House. He derives his mandate, authority and responsibilities from the Auditor General Act.

The Auditor General's mandate includes issuing opinions on government financial reports and conducting performance audits on public sector operations.

The Auditor General provides annual opinions on the government's consolidated financial statements, the revenue estimates included in the government's budget, and the financial statements of certain other public sector entities.

Performance audits may examine and report on:

- the effectiveness of governance frameworks, including risk management, ethics and organizational direction;
- effectiveness, efficiency and economy of programs and processes;
- adequacy of controls;
- compliance with legislation, regulations and policy; and
- stewardship of government resources.

By exercising these responsibilities, the Auditor General helps the House of Assembly hold the government to account for its management of public funds, and contributes to a well-performing public sector.

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.

Our Values

Our values are a statement of the high standards we hold in conducting ourselves and our work, and of the results we strive to achieve.

Independence

We remain independent of the entities that we audit and are objective in our work.

Integrity

We work together and with others in an open, honest, and trustworthy manner while respecting the confidentiality of the information we obtain.

Impact

We focus on significant issues to make a positive difference for the benefit of Nova Scotians.

Our Priorities

Our mission, vision and values guide us in our work as independent professionals adding value through audit. We have identified five priorities as key to the achievement of our vision.

Serve the House of Assembly

Conduct and report audits that provide clear and relevant information to the House of Assembly to improve its ability to hold the government accountable for its performance and stewardship over public funds.

Consider the Public Interest

Focus our audit efforts on areas of higher risk that impact on the lives of Nova Scotians.

Improve Government Performance

Contribute to a better performing public service by conducting audits that result in practical recommendations for significant improvements.

Enhance Government Financial Reporting

Encourage continual improvement in financial reporting by government to the House of Assembly and the people of Nova Scotia.

Foster Workplace Excellence

Promote excellence and a professional and supportive workplace at the Office of the Auditor General.

Strategic Initiatives

This business plan highlights some of the key strategic initiatives the Office will work on in 2017-18, supporting our commitment to continuous improvement.

The Office's governance structure aligns with our vision and priorities, and focusses our strategic efforts in five key areas: financial audit, performance audit, communications, people management, and operations. Working groups, comprised of office staff, will be responsible to complete the following 2017-18 strategic initiatives as needed.

- Update our performance audit manual to reflect the Canadian Audit Standards for performance audits effective June 2017.
- Conduct a post-implementation review of our new financial audit methodology.
- Develop a formal Office communication strategy.
- Develop an implementation plan to address the recommendations included in our workplace review. Address those recommendations scheduled for completion in 2017-18.
- Assess and develop an approach for using data analytics more effectively in both our financial and performance audit practices.

Audits and Other Assurance Engagements

The Office conducts a variety of audits and reviews, some of which are mandated by legislation, others are at the discretion of the Auditor General. Our current plan is to conduct the following assignments in 2017-18.

- Audit of the province's March 31, 2017 consolidated financial statements
- Review of the government's 2018-19 revenue estimates
- Audit of expenditure compliance and internal controls at the Nova Scotia House of Assembly
- Audit of the March 31, 2017 financial statements of five government agencies, including the Nova Scotia Health Authority
- Six performance audits
- Follow-up of recommendations made in previous performance and financial audits

Quality Assurance and Office Accountability

A number of processes serve to ensure the quality of our work and our accountability to the House of Assembly, including:

- Publically reporting the results of our financial and performance audit work through tabling audit reports in the House of Assembly and posting copies of our reports and video summaries on our website.
- Internal quality assurance systems based on Canadian auditing standards, including multiple levels of review.
- Implementing recommendations from peer reviews of our audits by other legislative audit offices in Canada.
- Addressing findings of periodic reviews of our financial statement audits and associated quality control systems by the Chartered Professional Accountants of Nova Scotia.
- Addressing the results of staff surveys and other performance measures focusing on elements of the Office's audit work and administration.
- Reporting results of the independent audit of the Office's annual financial statements to the Speaker of the House of Assembly.
- Submitting an annual business plan and a performance report to the Public Accounts Committee of the House of Assembly.
- Publically reporting on our website the travel and hospitality expenses of our Executive team.

Performance Indicators

Performance indicators are elements of an organization's work efforts, outputs and outcomes that can be measured and assessed against targets in order to evaluate the efficiency, effectiveness and quality of its operations. The following are performance indicators against which the Office will assess its 2017-18 performance, including audit performance.

Performance Indicator	Description	Office Target
1. Implemented recommendations	Percentage of recommendations implemented after two years	80% or higher
2. Published reports	Reports released during year	Four
3. Planned audits completed	Whether audits planned for the year were performed	80% or higher
4. Financial audits on target	Financial audits completed by applicable target dates	All target dates met
5. Performance audits on target	Performance audits completed by applicable target dates	80% or higher
6. Strategic projects completed	Percentage of 2017-18 strategic projects completed	80% or higher
7. MLA satisfaction	Percentage of MLAs satisfied with our work	80% or higher
8. Staff satisfaction (Note 1)	Percentage of staff who feel this is a good place to work	80% or higher

Note 1: staff surveys will be conducted every 3 years.

Resources

The Office recovers the cost of certain financial audits through billings, but the majority of its funding is by way of an annual appropriation of the House of Assembly. The following table outlines the Office's budgeted and actual net expenses, and staff positions for 2016-17 and 2017-18. The Office's major expense is salaries and benefits, which represents 83% of gross expenditures for 2017-18. All but three staff members are involved in providing audit services. Non-salary office administration (\$345,000, including office rent of \$207,000) is budgeted to be 8% of gross expenses in 2017-18.

Office of the Auditor General Net Expenses and Staffing			
	2016-17 Budget	2016-17 Actual	2017-18 Budget
Expenses			
Salaries and benefits	\$3,612,000	\$3,101,789	\$3,556,000
Other staff expenses	124,000	126,827	118,000
Travel	79,000	53,049	79,000
Professional services	69,000	216,558	164,000
Office administration	342,000	361,103	345,000
	4,226,000	3,859,326	4,262,000
Recoveries from Government			
Audit fees	393,000	362,750	393,000
	393,000	362,750	393,000
Net Expenses (to be funded by Government of Nova Scotia)	\$3,833,000	\$3,496,576	\$3,869,000
 Staff – Full-time-equivalent	36.0	31.4	36.0

Additional Information

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