



Office of the Auditor General  
of Nova Scotia

# BUSINESS PLAN

## 2022-23

OFFICE OF THE AUDITOR GENERAL



## 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 of Assembly. The Office derives its 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.

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

## Strategic Initiatives

Kim Adair was appointed Auditor General of Nova Scotia effective May 3, 2021 and with this change in leadership the Office started a strategic planning exercise in March 2022.

This business plan highlights some of the key strategic initiatives the Office will work on in 2022-23:

- Finalize a five-year strategic plan with key goals, strategies, actions and a robust monitoring plan
- Develop a three-year performance audit plan
- 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
- Define the scope and resources needed for the successful execution of the newly added Health Audit function to our portfolio
- Continue to support Public Accounts Committee in enhancing its effectiveness
- Finalize and implement a three-year Employment Equity Plan that will promote employment practices which advance equity and access for all; improve the participation of designated groups in positions where they are underrepresented and achieve and retain a workforce representative of the community it serves
- Strengthen the skills and leadership capability of our motivated workforce by completing skills needs assessments and offering professional development journeys that support career pathways
- Initiate the process to develop and implement a modern, secure and resilient information systems infrastructure that enhances auditing project management practices
- Develop and implement a robust change management framework to drive improved transformation outcomes by effectively managing the people side of change





### 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 as it holds 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



## 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 2022-23.

- Audit of the Province's March 31, 2022 consolidated financial statements
- Review of the government's 2023-24 revenue estimates
- Audit of expenditure compliance and internal controls at the Nova Scotia House of Assembly
- Audit of the March 31, 2022 financial statements of Nova Scotia Health and the IWK Health Centre
- Six performance audits
- Follow-up of recommendations made in previous performance audits
- Report on the results of our financial statement audit work and other financial-related topics

## 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:

- Publicly 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.
- Publicly 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 2022-23 performance, including audit performance.

The Office regularly measures MLA and staff satisfaction. MLAs were last surveyed in April 2021 and the 100% satisfaction rate was reported in the Office 2021-22 Report on Performance. MLAs will be surveyed again in 2023-24. Staff were last surveyed in 2020 and will be surveyed again after the 2022-23 reporting year. Results of the 2020 workplace survey indicated 80% staff satisfaction. Results from both future surveys will be indicators in future years when they become available.



 Performance Indicator	 Description	 Office Target
1. Performance audits	Number of planned performance audits reported	Six
2. Performance audit recommendations	Percentage of performance audit recommendations accepted	95% or higher
3. Financial audits	Percentage of financial audits completed by applicable target dates	100%
4. Strategic initiatives	Percentage of 2022-23 strategic initiatives completed	80% or higher



## 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 2021-22 and 2022-23. The Office's major expense is salaries and benefits, which represent 85% of gross expenditures for 2022-23. All but five staff members are directly involved in providing audit services. Non-salary office administration (\$404,000 including office rent of \$240,000) is budgeted to be 7% of gross expenses in 2022-23.

### Office of the Auditor General Net Expenses and Staffing

	2021-22 Budget	2021-22 Actual	2022-23 Budget
<b>Expenses</b>			
Salaries and benefits	\$4,274,000	\$4,117,170	\$4,744,000
Other staff expenses	190,000	92,729	182,000
Travel	70,000	14,726	58,000
Professional services	305,000	234,473	206,000
Office administration	469,000	348,144	404,000
	<u>5,308,000</u>	<u>4,807,242</u>	<u>5,594,000</u>
<b>Recoveries from Government</b>			
Audit fees	430,000	434,620	385,000
	<u>430,000</u>	<u>434,620</u>	<u>385,000</u>
<b>Net Expenses</b> (to be funded by Government of Nova Scotia)	<u>\$4,878,000</u>	<u>\$4,372,622</u>	<u>\$5,209,000</u>
<b>Staff – Full-time equivalent</b>	<b>37.0</b>	<b>36.6</b>	<b>38.5</b>

## Additional Information

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5161 George Street  
Royal Centre, Suite 400  
Halifax, NS  
B3J 1M7  
Phone (902) 424-5907  
Fax (902) 424-4350  
Website: [www.oag-ns.ca](http://www.oag-ns.ca)