



REPORT ON PERFORMANCE

2021-22



Office of the Auditor General
of Nova Scotia

Introduction

The Office of the Auditor General serves the House of Assembly by conducting and reporting upon audits that 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, and fully accountable to, 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 2021-22 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 2021-22 budget.

Strategic Initiatives

In 2021-22, the Office focused its efforts in six strategic areas: strategic planning; employee training; diversity, equity and inclusion; employee health and safety; data analytics and communications. As a result of the significant effort put in by Office staff throughout the year, we were able to complete many initiatives by March 31, 2022, with most being completed by May 2022.

Strategic Initiatives: 2021-22	Completed	In Progress
• Commence a strategic planning process to identify the Office's strategic priorities and desired outcomes over the next five years.	X	
• Finalize and implement an employee training and development master plan that maps the learning activities and learning paths to the OAG Competency Framework.		X
• Develop a three-year Employment Equity Plan to identify qualitative and quantitative equity goals and measures to improve the representation of designated groups and to enhance a culture that champions diversity, equity and inclusion and values cultural competence.		X
• Develop and implement a Psychological Health and Safety Management System to ensure the workplace continues to have a positive impact on employees' psychological health.	X	
• Evaluate, and implement as appropriate, risk-based data analytics in our assurance engagements.	X	
• Internally develop interactive audit training for staff.		X
• Improve and enhance our online and social media presence, including a redesign of the OAG website, and leverage them to build and strengthen stakeholder relations.		X

Performance Measures



 Performance Indicator	 Description	 Office Target	 2021-22 Result
1. Recommendations accepted by those audited	Percentage of recommendations accepted	95% or higher	100%
2. Published reports	Reports released during year	Four	Four
3. Planned audits completed	Whether audits planned for the year were performed	80% or higher	92%
4. Financial audits and reporting on target	Financial audits completed by applicable target dates	All target dates met	All target dates were met
5. Performance audits on target	Performance audits completed by applicable target dates	80% or higher	83%
6. Strategic projects completed (Note 1)	Percentage of 2021-22 strategic projects completed	80% or higher	43%
7. MLA satisfaction (Note 2)	Percentage of MLAs satisfied with our work	80% or higher	100%
8. Staff satisfaction (Note 3)	Percentage of staff who feel this is a good place to work	80% or higher	80%

Note 1: The Office was able to complete most of its 2021-22 strategic projects by May 2022.

Note 2: The Office surveys members of the Legislative Assembly every two years. 2021-22 results are from the April 2021 MLA survey.

Note 3: The Office surveys its staff every three years. 2021-22 results are from the 2020 workplace survey.



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, 2022, 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, 2022.

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 7, 2022.

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

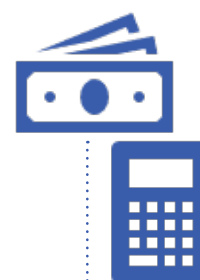
Chartered Professional Accountants, Licensed Public Accountants

Dartmouth, Nova Scotia

June 7, 2022

Summary Statement of Financial Position As at March 31, 2022

	2022	2021
Financial Assets		
Petty cash	\$ 250	\$ 250
Accounts receivable	69,330	62,150
Due from government	186,015	119,492
	<u>255,595</u>	<u>181,892</u>
Liabilities		
Accounts payable	52,087	19,687
Accrued liabilities	3,623	11,752
Accrued salaries, benefits and vacation	345,798	290,690
	<u>401,508</u>	<u>322,129</u>
Net debt	<u>(145,913)</u>	<u>(140,237)</u>
Non-financial Assets		
Prepaid expenses	50,736	35,963
Tangible capital assets	95,177	104,274
	<u>145,913</u>	<u>140,237</u>
Accumulated Surplus	<u>\$ nil</u>	<u>\$ nil</u>



Summary Statement of Operations Year ended March 31, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenues			
Professional fees	\$430,000	\$434,620	\$413,500
Expenses			
Amortization	nil	31,102	32,980
Membership dues	70,000	49,180	58,040
Office lease and taxes	230,000	229,172	229,172
Office supplies	105,000	26,212	18,312
Other services	108,000	43,388	102,295
Parking	6,000	5,488	4,651
Professional services	305,000	234,473	363,806
Salaries and benefits	4,274,000	4,117,170	3,858,230
Staff training	120,000	43,549	53,608
Telecommunications	20,000	12,782	17,322
Travel	70,000	14,726	141
	5,308,000	4,807,242	4,738,557
Net Expenses before Government Contributions	4,878,000	4,372,622	4,325,057
Government contributions	4,878,000	4,347,992	4,336,477
Net Expenses before General Revenue Fund Transfers	\$ nil	(24,630)	11,420
Transfer to (from) General Revenue Fund		(24,630)	11,420
Annual Surplus (Deficit)		nil	nil
Accumulated Surplus (Deficit), beginning of year		nil	nil
Accumulated Surplus (Deficit), end of year	\$ nil	\$ 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, 2022 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

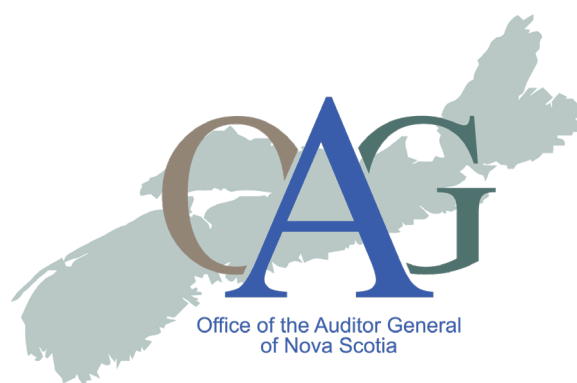
The Government of Nova Scotia has entered into a lease agreement on the Office's behalf for office space. The agreement expires in April 2027. Commitments for lease payments and associated operating costs for the next five fiscal years are estimated to be:

2022-23	\$239,793
2023-24	\$245,277
2024-25	\$250,509
2025-26	\$255,949
2026-27	\$261,655

Note 3 – Impact of the Covid-19 Pandemic on our Results and Operations

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. In response to the declaration and the first presumptive cases being identified in the province, the Government of Nova Scotia advised departments, including the Office of the Auditor General, to put business continuity plans into action. At the beginning of 2021-22, employees of the Office were primarily working from home. On September 13, 2021, the Office implemented its three-phase Post-pandemic Workplace Arrangements Strategy, which allowed employees the flexibility to work either from home or in the office, or a combination of both.

Although there is still uncertainty surrounding COVID-19, the Office expects to be able to carry out its year-end financial statement and performance audits and administrative activities. The Office does not anticipate any additional pressures on its 2022-23 budget as a result of the COVID-19 pandemic.



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 14 years.

	2022 Budget	2022 Actual	(Under)/ Over Budget
Professional fees revenue	\$430,000	\$434,620	\$4,620
Amortization	nil	31,102	31,102
Membership dues	70,000	49,180	(20,820)
Office lease and taxes	230,000	229,172	(828)
Office supplies	105,000	26,212	(78,788)
Other services	108,000	43,388	(64,612)
Parking	6,000	5,488	(512)
Professional services	305,000	234,473	(70,527)
Salaries and benefits	4,274,000	4,117,170	(156,830)
Staff training	120,000	43,549	(76,451)
Telecommunications	20,000	12,782	(7,218)
Travel	70,000	14,726	(55,274)
Total Expenses	\$5,308,000	\$4,807,242	\$(500,758)
Net Expenses before Government Contributions	\$4,878,000	\$4,372,622	\$(505,378)



Financial Performance Variances

The Office's complete audited financial statements are available from our website at www.oag-ns.ca.

Significant budget variances – In 2021-22, the Office underspent its \$4,878,000 budget by \$505,378 (10%).

The causes of significant variances from budget, those over \$25,000 on a line-by-line basis, are provided below.

- 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.
- Our budget for office supplies was underspent by \$78,788, primarily due to planned purchases that did not happen in the year and some purchases which met the Office's threshold to capitalize and were therefore were not fully expensed in the year.
- Our budget for other services was underspent by \$64,612, due to planned purchases not occurring and the COVID-19 pandemic.
- Our budget for professional services was underspent by \$70,527, primarily due to planned purchases of professional expertise not occurring in 2021-22.
- Our budget for salaries and benefits was underspent by \$156,830, primarily due to unexpected leaves of absence.
- Our budget for staff training was underspent by \$76,451, primarily due to planned training not happening in 2021-22 because of the COVID-19 pandemic.
- Our budget for travel was underspent by \$55,274, primarily due to limited travel as a result of the COVID-19 pandemic.

Other Accomplishments and Events

The Auditor General's office continued to adapt and thrive this year, taking on new challenges and forging ahead with several new initiatives despite the continued effects of COVID-19 on the Province.

The Office secured 2022-23 funding to pilot a new Health Auditor function. This is an exciting development that will enable health-related performance audits to be completed by the Province's independent Audit Office.

To promote acceptance and respect for individual and community differences, the Office established the Equity, Diversity and Inclusion Committee to promote, celebrate and raise awareness of diversity and inclusion. The committee held three meetings and established a terms of reference to set the stage for future success.

As an active member of the Canadian Council of Legislative Auditors (CCOLA), the Office hosted Auditors General from across Eastern Canada, including Quebec, New Brunswick, Prince Edward Island and Nova Scotia to discuss common issues and challenges.

Continuing a tradition that extends back several decades, office staff worked together to support the provincial United Way campaign and this year raised \$5,834, far exceeding our fundraising goal of \$4,000.

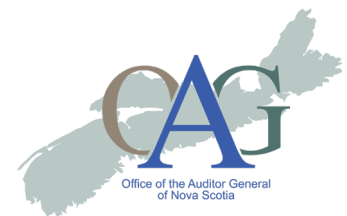
Our partnership with the Immigration Services Association of Nova Scotia (ISANS) continued to be mutually beneficial, as a former professional placement responded to a job ad and was hired as a permanent employee this year!

Under the direction of our experienced Communications Manager, the Office launched a robust social media strategy and initiated a full redesign of the Office website.

The Office also kicked off a strategic planning exercise which included a comprehensive collaborative session with the whole office to guide and shape our work over the next five years.

The COVID-19 pandemic remained a dominant feature of our work environment and will continue to influence our work for the foreseeable future. Drawing on insights from the past year and recognizing staff's adaptability and resilience, we worked together to develop a new, long-term strategy for flexible work arrangements that commenced in September 2021.

And, as a preventative approach to protecting mental health in the workplace, the Office implemented a comprehensive Psychological Health and Safety Management System (PHSMS).



Additional Information

[in/company/oag-ns](https://www.linkedin.com/company/oag-ns)

[@OAG_NS](https://twitter.com/OAG_NS)

[f/OAGNS](https://www.facebook.com/OAGNS)

[@nsauditorgeneral](https://www.instagram.com/nsauditorgeneral)

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