
Introduction





1 Message from the Auditor General

Introduction

- 1.1 I am pleased to present my April 2009 Report to the House of Assembly on work completed by my Office in the winter of 2009.
- 1.2 My last Report to the House of Assembly, dated November 6, 2008, was tabled on November 19, 2008.
- 1.3 As the Province's Auditor General, my goal is to work towards better government for the people of Nova Scotia. As an independent, non-partisan officer of the House, I and my Office help to hold the government to account for its management of public funds and contribute to a well-performing public sector. I consider the needs of the public and the House, as well as the realities facing management, in providing sound, practical recommendations to improve the management of public sector programs.
- 1.4 My priorities, during my term of office, are: to focus audit efforts on areas of high risk that impact on the lives of Nova Scotians; to contribute to a more efficient, effective, and better performing public service for Nova Scotia; and to foster better financial and performance reporting to the Legislature and the people; all while promoting excellence and a professional and supportive workplace at the Office of the Auditor General. This Report reflects this service approach.
- 1.5 I wish to acknowledge the valuable efforts of my staff who deserve the credit for the work reported here. As well, I wish to acknowledge the cooperation and courtesy we received from staff in departments, and board members and staff in agencies, during the course of our work.

MESSAGE FROM THE
AUDITOR GENERAL

Who We Are and What We Do

- 1.6 The Auditor General is an officer of the Legislature, appointed by the House of Assembly for a ten-year term. He or she is responsible to the House and to the people of Nova Scotia for providing independent and objective assessments of the operations of government, the use of public funds and the integrity of financial and performance reports.
- 1.7 The Auditor General's mandate, responsibilities and powers are established by the Auditor General Act. The Act provides the Auditor General with



the authority to require the provision of any documents needed in the performance of his or her duties. Additionally, public servants must provide free access to all information which the Auditor General requires.

- 1.8 The Auditor General Act stipulates that the Auditor General shall provide an annual report and opinion on the government's financial statements; provide an opinion on the revenue estimates in the government's annual budget address; examine the management, use and control of public funds; and report to the House at least once, and up to three times annually, on the work of the Office.
- 1.9 The Office has a mandate under the Act to audit all parts of the provincial public sector including government departments and all agencies, boards, commissions or other bodies responsible to the crown, such as regional school boards and district health authorities, as well as transfer payment recipients external to the provincial public sector.
- 1.10 In its work, the Office of the Auditor General is guided by, and complies with, the professional standards established by the Canadian Institute of Chartered Accountants, otherwise known as Generally Accepted Auditing Standards (GAAS). We also seek guidance from other professional bodies and audit-related best practices in other jurisdictions.

Chapter Highlights

- 1.11 This Report presents the results of audits and reviews completed in the winter of 2009 at a number of departments and agencies. Where appropriate, we make recommendations for improvements to government operations, processes and controls. Department or agency responses have been included in the appropriate chapter. We will follow up on the implementation of our recommendations in two years, with the expectation that significant progress will be made.

Government-wide

Chapter 2 – Audit Committees

- 1.12 Our examination of the government's Audit Committee found deficiencies in oversight of internal audit and internal controls, although appropriate oversight is provided in risk management. Audit committees in provincial agencies, boards and commissions generally provide adequate oversight of financial reporting and external audit. However, the scope of responsibilities assigned to audit committees needs to be expanded to move towards accepted best practices.



Chapter 3 – Information Technology Security

- 1.13 Our audit of IT security across government identified significant deficiencies in IT security planning, standards, monitoring and enforcement. These deficiencies leave government IT systems unnecessarily at risk of attack or failure.

Transportation and Infrastructure Renewal and Service Nova Scotia and Municipal Relations

Chapter 4 – Truck Safety

MESSAGE FROM THE
AUDITOR GENERAL

- 1.14 Transportation and Infrastructure Renewal's safety, inspection and enforcement programs do not effectively mitigate the risk of a truck being involved in an accident. The commercial carrier safety fitness rating and audit program at Service Nova Scotia and Municipal Relations is compromised due to untimely, incomplete and inaccurate information. This may allow commercial and passenger carriers with poor safety records to continue to operate unsafe vehicles.

Follow-up of Prior Audits

Chapter 5 – Follow-up of 2006 Audit Recommendations

- 1.15 Progress in implementing our recommendations has not improved significantly since we last reported on this in May 2008. Only 39% of 146 recommendations made in 2006 have been implemented. However, the recent implementation of a government-wide tracking system may assist in improving this poor performance.