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# Introduction

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- 1.1 I am pleased to present my November 2012 Report to the House of Assembly on work completed by my Office in the summer and fall of 2012.
- 1.2 Since the release of my last report in May 2012, I submitted the following reports.
  - My Business Plan for 2012-13, and my Report on Performance for 2011-12 were provided to the Public Accounts Committee on May 25, 2012 and July 3, 2012 respectively.
  - My Report on the Province's March 31, 2012 consolidated financial statements, dated July 30, 2012, was tabled with the Public Accounts by the Minister of Finance on August 2, 2012.
  - My audit opinions on four agencies were dated as follows.
    - Nova Scotia Crop and Livestock Commission – May 25, 2012
    - Nova Scotia Gaming Corporation – June 15, 2012
    - Nova Scotia Legal Aid Commission – May 31, 2012
    - Public Trustee Trust Funds – October 30, 2012
- 1.3 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 agencies during the course of our work.

## Chapter Highlights

- 1.4 This report presents the results of audits completed in 2012 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 have been made.



## Performance Audits

### ***Chapter 2 – Education: Home Schooling***

- 1.5 The Department of Education is failing in its responsibility to protect the education rights of children enrolled in the provincial home schooling program. The program lacks the key elements necessary to be effective. The audit identified deficiencies with the program which significantly diminish the likelihood of the Department identifying children who may not be receiving a suitable education.
- 1.6 The Department does not have expected learning outcomes for home schooled children. Processes to assess the appropriateness of home study programs and children's educational progress are inadequate. The Department cannot provide effective oversight of home schooled children without clear direction on what the children are expected to know and be able to do, and a means to determine whether they are meeting those expectations.

### ***Chapter 3 – Health and Wellness: Capital Health and IWK Health Centre Personal Health Information Systems***

- 1.7 Numerous and significant weakness in IT controls to protect personal health information contained in computer systems at Capital Health and the IWK Health Centre allow an unnecessarily high risk from internal threats. Neither Capital Health nor IWK periodically assess overall IT controls to ensure they are appropriately designed and working effectively.
- 1.8 Stronger controls are required to protect the privacy of personal health information. Controls over authorizing, granting and removing access to computer systems; applying security and other software patches; monitoring network activity; and logging system user actions require improvement. Both organizations need to improve their processes and plans for ensuring continuous operation of computer systems.

### ***Chapter 4 – Health and Wellness: Hospital System Capital Planning***

- 1.9 If funding stays at recent levels and available money is allocated as it currently is, Nova Scotia's hospital system cannot be adequately maintained and will continue to deteriorate. Opportunities for ongoing cost savings are not given adequate consideration and the extent to which significant equipment or facilities are used is not a significant factor in funding decisions. While preventative maintenance can reduce repair costs in the long run, it is not always carried out due to lack of funding. A new approach to capital planning for the hospital system is needed which better utilizes scarce monetary resources.
- 1.10 The Department of Health and Wellness has little information regarding the extent to which significant equipment or hospital facilities are used. Utilization data could



assist the Department and districts in making both operating and capital planning decisions, such as where equipment and services should be located and whether to replace existing infrastructure and equipment as it ages.

***Chapter 5 – Trade Centre Limited***

- 1.11 Overall, the Market Projections Report prepared by Trade Centre Limited in 2010 to support government investment in the new convention centre lacks appropriate analysis and rigor expected for such a significant proposal. We expected a much more comprehensive analysis supporting such aggressive growth targets. Important industry realities have not been clearly addressed.
  
- 1.12 We also found financial and operational activities examined during our audit were not being appropriately managed. Trade Centre Limited does not have an adequate internal control framework or sufficiently rigorous financial management practices. Processes to approve travel and business expenses are not adequate. Additionally, Trade Centre Limited does not have adequate processes in place to ensure the procurement of goods and services complies with applicable policies and provides value for money.