
1 Message from the Auditor General

Introduction

- 1.1 I am pleased to present my May 2013 Report to the House of Assembly on work completed by my Office in early 2013.
- 1.2 In the last year I have 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 to the House of Assembly on work completed by my Office in the late and early 2012, dated May 11, 2012, was tabled on May 30, 2012.
 - 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 Report to the House of Assembly on work completed in the summer and fall of 2012, dated November 1, 2012, was tabled on November 21, 2012.
 - My February 2013 Report to the House of Assembly on financial reporting issues, dated January 11, 2013, was tabled on February 6, 2013.
 - My Report on the Estimates of Revenue for the fiscal year ended March 31, 2014, dated April 2, 2013, was included with the budget address delivered by the Minister of Finance on April 4, 2013.
- 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 early 2013 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.



Follow-up

Chapter 2 – Follow-up of 2007 to 2010 Performance Audit Recommendations

- 1.5 Only 41% of our performance audit recommendations from 2010 have been implemented. Government's lack of action has consequences for significant programs and services. Our 2010 audits included contaminated sites; business, land and vital statistics registries; mental health services; and P3 school contract management. Uncorrected deficiencies can impact government finances, service delivery to the public, and health and safety. Government senior management are failing to take action to correct known deficiencies in their programs.

Performance Audits

Chapter 3 – Community Services: Child Welfare – Investigations, Monitoring, and Foster Care

- 1.6 Although the Department of Community Services has adequate processes to investigate allegations of abuse or neglect, investigations are not always started on time and we identified many situations in which there were significant gaps in activity. We also found Department staff are not meeting with foster families and children in care as frequently as required by standards. Screening and approval of regular foster families was generally adequate but we found many issues with the approval of kinship foster families. New policies are needed to address this area. Finally, we noted the Children and Family Services Act has significant gaps which mean certain children are not covered after age 16; the Act also has an outdated definition of neglect which restricts it to physical abuse. We recommended these areas of the legislation be updated but the Department does not intend to take action to address these concerns.

Chapter 4 – Transportation and Infrastructure Renewal: Mechanical Branch Management

- 1.7 Operational oversight of mechanical branches is inadequate. Transportation and Infrastructure Renewal management lack basic information needed to manage branch operations. The deficiencies we identified could expose costly parts and tools to theft or loss. Management do not have detailed information on specific repair jobs to allow them to assess staff efficiency and reasonability of repair parts and labour. We also found instances in which required preventative maintenance was not completed and agreements with suppliers to limit the Department's exposure to repair and maintenance costs are not adequately managed.



Chapter 5 – Agencies, Boards and Commissions: Travel and Other Expenses

- 1.8 We found weaknesses in controls over expense claims at all the entities we visited. In many instances, claims lacked support for expenses incurred but the claims were still paid. Certain entities either did not approve all claims before payment or the approval processes were not appropriate. We recommended Treasury Board Office communicate with all agencies, boards and commissions and ask them to evaluate their systems in light of the findings in our audit.