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Auditor General of Nova Scotia

Concerns with Use of Trust to Deliver Province-Wide Internet Initiative– Auditor General

For release November 23 - The government has an adequate plan to address the internet needs of Nova Scotians, but there are numerous value-for-money concerns because of the use of an external trust to deliver a major province-wide initiative, says the Auditor General.

The Internet for Nova Scotia Initiative directly impacts thousands of Nova Scotians across the province, so it is important the project is built to succeed. The \$193-million Nova Scotia Internet Funding Trust represents a significant investment and proper planning and oversight by the Province of such an important project is essential for success, says Auditor General Kim Adair.

“With a project this large, we would expect to see evidence of a reliable cost estimate, a comprehensive analysis, and the various options considered to fund the Initiative. The lack of evidence is concerning because the Province relinquished control of \$193 million before knowing how much the project would ultimately cost the taxpayer.”

If trust funds remain on March 31, 2028, they are to be first distributed to municipalities with underserved internet service areas, and then to all successful proponents from the RFP processes on a pro-rated basis. As of August 2021, \$29 million has not yet been allocated to future projects.

“Potential millions will not return to the Province,” Adair said.

The government of Nova Scotia set a goal of providing affordable, high-speed internet to at least 95 per cent of Nova Scotians. Internet access is important to all Nova Scotians, and COVID-19 heightened the demand for internet connectivity when work, school and healthcare moved online in early 2020.

“Based on the contracts signed, the government is on track to achieve its goals for access to affordable high-speed internet,” says Adair.

The project was established in 2018 when the Province established the Nova Scotia Internet Funding Trust and its Trustees contracted Develop Nova Scotia to deliver high-speed internet to homes and businesses across the province.

“Develop Nova Scotia created a strategic plan with a detailed action plan to undertake the Initiative, with goals and objectives clearly defined.”

Their agreements with internet service providers were consistent with bid submissions and they had appropriate terms and conditions, although verification of claims and monitoring of progress requires improvement.

The report makes four recommendations, including direction for the Department of Finance and Treasury Board, in consultation with the Executive Council Office, to develop guidance relating to the use of trusts.



A detailed news release, the report, summary, and a highlight video can be found on the Office of the Auditor General's website at www.oag-ns.ca.

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