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Acting Auditor General of Nova Scotia

AUDITOR GENERAL—December 2020 Financial Report Released

For release December 1, 2020 - COVID-19 has significantly affected the Province's finances and increased cybersecurity risks for Nova Scotia Government employees working from home in 2020, reveals the latest report by Acting Auditor General Terry Spicer.

Despite the pandemic challenges, the Province was able to report reliable and timely financial statements for 2019-20 that received a clean audit opinion, the 20th year in a row.

While the financial statements are reliable and many processes work well, underlying significant control weaknesses need to be fixed at two government departments and eight government organizations.

The significant control weaknesses were found at the Department of Service Nova Scotia and Internal Services, and the Department of Lands and Forestry.

Other significant weaknesses in financial controls identified in prior years at Housing Nova Scotia, the IWK Health Centre, and the Nova Scotia Health Authority are not fully fixed.

“Although accounting standards have been met, underlying control weakness exist, and they increase the risk of unreliable financial reporting and misuse of assets in the future. Therefore, they should be addressed in a timely manner,” said Mr. Spicer.

The December 2020 Financial Report includes a chapter on the financial impacts of COVID-19, to inform Nova Scotians on the highlights of government spending initiatives and revenue impacts related to the pandemic.

The Province was initially budgeting for a surplus of \$55 million and is now forecasting a deficit of \$853 million in 2020-21, an almost \$1 billion swing.

The Auditor General makes no comment on the actual decisions, policy choices or effectiveness of the Province's response to COVID-19 in this information report.

Our Office is currently conducting a performance audit that will look at the various provincial spending programs established to support Nova Scotians through the COVID-19 pandemic. The audit will be released in 2021 and will consider the approaches selected for both program administration and oversight.

The Auditor General notes the Province of Nova Scotia has not yet released its own long-term economic recovery plan.

“The impacts of COVID-19 will be felt well beyond this year. Governments across the country are developing long-term recovery plans that set the course to improve business activity, promote the safety and wellbeing of citizens, and help the economy rebound,” said Mr. Spicer.

The global pandemic has also forced many provincial employees to work from home, further increasing the Province's cybersecurity risks because of network access from remote, non-government locations.

The Auditor General notes that the Province hasn't finalized regulations which govern cybersecurity, and important work is yet to be completed in its government-wide cybersecurity risk register.



“COVID-19 underscores the need for effective cybersecurity programs. Without proper measures, departments and organizations are at risk of threats including data breaches, theft of financial assets and disruption of operations,” said Mr. Spicer.

The full report and videos are available at: www.oag-ns.ca

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