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# Office of the Auditor General

## Nova Scotia

### AUDITOR GENERAL – December 2019 Reports of the Auditor General

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Auditor General Michael Pickup issued his 2019 performance audit report today, December 10. The report contains two chapters of audit results. The Auditor General also released a separate mid-mandate report reflecting on the first half of his 10-year term.

**Chapter one: Reducing Regulatory Burden:** This audit examined how the Office of Regulatory Affairs and Service Effectiveness assesses and measures burden reduction, and if the Business Navigator program is meeting its objectives. The key conclusions are:

- the Office of Regulatory Affairs and Service Effectiveness has a process to ensure that regulatory changes with an impact to Nova Scotia businesses are reasonably estimated and reported
- the Office ensures reasonable assumptions are used for estimating impacts of regulatory changes to Nova Scotia businesses
- strategic priorities for the Business Navigator program were set and progress is monitored to evaluate success

“I want to acknowledge the good work the Office of Regulatory Affairs and Service Effectiveness is doing to better serve Nova Scotia businesses and reduce unnecessary regulatory burden,” said Mr. Pickup. “There are minor documentation issues and guidance documents need to be updated, but overall the Office is ensuring that the estimated annual \$34.4 million burden reduction is reasonably supported.”

**Chapter two: QEII New Generation Project – Halifax Infirmary Expansion and Community Outpatient Centre:** This audit examined whether steps have been taken to ensure appropriate governance structures have been implemented to oversee the Halifax Infirmary Expansion and the Community Outpatient Centre, as well as assessing the selection of key consultants to guide work related to the projects. The key conclusions are:

- the Department of Transportation and Infrastructure Renewal has not implemented all of its own consultant’s recommendations meant to address critical gaps in governance and key project capabilities. While progress has been made towards many recommendations, gaps remain
- the Department has not developed plans and schedules to guide the implementation of its own consultant’s recommendations to address gaps in governance and key project capabilities
- the Department followed a thorough process to select qualified consultants to advise on the Halifax Infirmary Expansion and the Community Outpatient Centre projects

“With an estimated cost of approximately \$2 billion, it is vital that the gaps in governance and key project capabilities identified by Transportation and Infrastructure Renewal’s own consultant are addressed in a timely manner,” said Mr. Pickup. “Not only will this help to ensure the effective management of these complex projects, but it should also help to avoid repeating the contract mismanagement issues we’ve previously seen in both P3 and traditional construction projects.”

The report contains a total of six recommendations from the two audits which have all been accepted by government.



Mid-mandate Report: This report provides reflections from Auditor General Michael Pickup on the first half of his 10-year term. It looks to answer key questions put forth by stakeholders of the Office of the Auditor General to help the public, government and MLAs better understand the work of his Office. The report also highlights some key statistics about the work completed by his Office.

The performance audit report, along with a short summary, highlight video, and questions Nova Scotians may want to ask government for each of the two chapters, as well as the mid-mandate report, is available at <https://oag-ns.ca/publications/2019>.

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