



# BUSINESS PLAN 2021-22

Office of the Auditor General of Nova Scotia



### **Auditor General's Mandate**

The Auditor General of Nova Scotia is an officer of the House of Assembly; nonpartisan and independent of government. The Auditor General is appointed by, and reports to, the House of Assembly. The Auditor General derives their mandate, authority, and responsibilities from the Auditor General Act.

The Auditor General's mandate includes issuing opinions on government financial reports and conducting performance audits on public sector operations.

The Auditor General provides annual opinions on the government's consolidated financial statements, the revenue estimates included in the government's budget, and the financial statements of certain other public sector entities.

By exercising these responsibilities, the Auditor General helps the House of Assembly hold the government accountable for its management of public funds and contributes to a well-performing public sector.

## **Strategic Initiatives**

This business plan highlights some of the key strategic initiatives the Office will work on in 2021-22, supporting our commitment to continuous improvement.

The Office's governance structure aligns with our vision and priorities and focusses our strategic efforts in five key areas: financial audit, performance audit, communications, people management, and operations. Kim Adair-MacPherson was appointed Auditor General of Nova Scotia effective May 3, 2021. The change of leadership dovetails with the Office's plan to embark on a strategic planning process in 2021-22.

We continue to focus on developing and implementing best practices in human resource management. Also, we hired a professional Communications Manager to develop a strategic stakeholder communications plan, involving research, internal and external surveys and interviews, and a cross-Canada jurisdictional scan to review and adapt best practices. In 2021-22 we plan to work on the following initiatives.

- Embark on a strategic planning process in 2021-22 to identify the Office's strategic priorities and desired outcomes over the next five years.
- Finalize and implement an employee training and development master plan that maps the learning activities and learning paths to the OAG Competency Framework.
- Develop a three-year Employment Equity Plan to identify qualitative and quantitative equity goals and measures to improve the representation of designated groups and to enhance a culture that champions diversity, equity and inclusion and values cultural competence.
- Develop and implement a Psychological Health and Safety Management System to ensure the workplace continues to have a positive impact on employees' psychological health.
- Evaluate, and implement as appropriate, risk-based data analytics in our assurance engagements.
- Internally develop interactive audit training for staff.
- Improve and enhance our online and social media presence, including a redesign of the OAG website, and leverage them to build and strengthen stakeholder relations.

**Our Vision**

A relevant, valued, and independent audit office serving the public interest as the House of Assembly's primary source of assurance on government performance.

**Our Mission**

To make a significant contribution to enhanced accountability and performance in the provincial public sector.

**Our Values**

Our values are a statement of the high standards we hold in conducting ourselves and our work, and of the results we strive to achieve.

**Independence**

We remain independent of the entities that we audit and are objective in our work.

**Integrity**

We work together and with others in an open, honest, and trustworthy manner while respecting the confidentiality of the information we obtain.

**Impact**

We focus on significant issues to make a positive difference for the benefit of Nova Scotians.

## Impact of COVID-19

During this latest lockdown, the Office is adhering to the Province's recommendation and working remotely. We are currently developing a post-pandemic workplace strategy with the goal of continuing to deliver high quality audits, while nurturing healthy, productive arrangements that leverage on technology and provide staff with the best possible conditions to promote their well-being and professional growth.

## Our Priorities

Our mission, vision, and values guide us in our work as independent professionals adding value through audit. We have identified five priorities as key to the achievement of our vision

**Serve the House of Assembly**

Conduct and report audits that provide clear and relevant information to the House of Assembly as it holds the government accountable for its performance and stewardship over public funds

**Consider the Public Interest**

Focus our audit efforts on areas of higher risk that impact on the lives of Nova Scotians

**Improve Government Performance**

Contribute to a better performing public service by conducting audits that result in practical recommendations for significant improvements

**Enhance Government Financial Reporting**

Encourage continual improvement in financial reporting by government to the House of Assembly and the people of Nova Scotia

**Foster Workplace Excellence**

Promote excellence and a professional and supportive workplace at the Office of the Auditor General

## Audits and Other Assurance Engagements

The Office conducts a variety of audits and reviews, some of which are mandated by legislation; others are at the discretion of the Auditor General. Our current plan is to conduct the following assignments in 2021-22.

- Audit of the Province's March 31, 2021 consolidated financial statements
- Review of the government's 2022-23 revenue estimates
- Audit of expenditure compliance and internal controls at the Nova Scotia House of Assembly
- Audit of the March 31, 2021 financial statements of four government agencies, including Nova Scotia Health and the IWK Health Centre
- Four performance audits
- Follow-up of recommendations made in previous performance and financial audits

## Quality Assurance and Office Accountability

A number of processes serve to ensure the quality of our work and our accountability to the House of Assembly, including:

- Publicly reporting the results of our financial and performance audit work through tabling audit reports in the House of Assembly and posting copies of our reports and video summaries on our website.
- Internal quality assurance systems based on Canadian auditing standards, including multiple levels of review.
- Implementing recommendations from peer reviews of our audits by other legislative audit offices in Canada.
- Addressing findings of periodic reviews of our financial statement audits and associated quality control systems by the Chartered Professional Accountants of Nova Scotia.
- Addressing the results of staff surveys and other performance measures focusing on elements of the Office's audit work and administration.
- Reporting results of the independent audit of the Office's annual financial statements to the Speaker of the House of Assembly.
- Submitting an annual business plan and a performance report to the Public Accounts Committee of the House of Assembly.
- Publicly reporting on our website the travel and hospitality expenses of our Executive team.

## Performance Indicators

Performance indicators are elements of an organization's work efforts, outputs and outcomes that can be measured and assessed against targets in order to evaluate the efficiency, effectiveness and quality of its operations. The following are performance indicators against which the Office will assess its 2021-22 performance, including audit performance.

Performance Indicator	Description	Office Target
1. Recommendations accepted by those audited	Percentage of recommendations accepted	95% or higher
2. Published reports	Reports released during year	Four
3. Planned audits completed	Whether audits planned for the year were performed	80% or higher
4. Financial audits and reporting on target	Financial audits completed by applicable target dates	All target dates met
5. Performance audits on target	Performance audits completed by applicable target dates	80% or higher
6. Strategic projects completed	Percentage of 2021-22 strategic projects completed	80% or higher
7. MLA satisfaction (Note 1)	Percentage of MLAs satisfied with our work	80% or higher
8. Staff satisfaction (Note 2)	Percentage of staff who feel this is a good place to work	80% or higher

Note 1: The Office typically surveys members of the Legislative Assembly every two years. The Office had planned to survey MLAs in March 2020 but this initiative was deferred as a result of the COVID-19 pandemic. The survey was conducted in April 2021.

Note 2: The Office surveys its staff every three years. The most recent survey was conducted in April 2020.

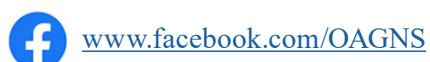
## Resources

The Office recovers the cost of certain financial audits through billings, but the majority of its funding is by way of an annual appropriation of the House of Assembly. The following table outlines the Office's budgeted and actual net expenses, and staff positions for 2020-21 and 2021-22. The Office's major expense is salaries and benefits, which represents 81% of gross expenditures for 2021-22. All but five staff members are directly involved in providing audit services. Non-salary office administration (\$469,000 including office rent of \$230,000) is budgeted to be 9% of gross expenses in 2021-22.

Office of the Auditor General Net Expenses and Staffing			
	2020-21 Budget	2020-21 Actual	2021-22 Budget
<b>Expenses</b>			
Salaries and benefits	\$4,142,000	\$3,858,230	\$4,274,000
Other staff expenses	190,000	112,648	190,000
Travel	105,000	141	70,000
Professional services	285,000	363,806	305,000
Office administration	529,000	403,732	469,000
	5,251,000	4,738,557	5,308,000
<b>Recoveries from Government</b>			
Audit fees	420,000	413,500	430,000
	420,000	413,500	430,000
<b>Net Expenses</b> (to be funded by Government of Nova Scotia)	\$4,831,000	\$4,325,057	\$4,878,000
<b>Staff – Full-time equivalent</b>	<b>37.0</b>	<b>35.7</b>	<b>37.0</b>



### Additional Information



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