



Nova Scotia

Office of the Auditor General of Nova Scotia

STRATEGIC PLAN 2007

MESSAGE FROM THE AUDITOR GENERAL



JACQUES R. LAPOINTE, CA-CIA
AUDITOR GENERAL

In Nova Scotia, as in every province across Canada, the legislative auditor works on behalf of the people of the province. We are accountable, not to government, but to the people's elected representatives – the Legislature.

As an independent officer of the House of Assembly, I am mandated to provide assurance services to the House with respect to public sector financial reporting and performance.

The nature and role of auditing continues to evolve, as auditors and organizations grapple with issues such as auditor independence, audit's role in governance and, unfortunately, with crises in public confidence that arise from questionable financial practices. World-wide trends see auditors functioning not just as financial or operational watchdogs but as catalysts for improved organizational performance and accountability.

In response to this changing audit landscape, my Office has developed a strategic plan that represents extensive thought, discussion and research during the last year.

That plan – summarized in this document and available in its complete form on our website – provides the foundation for positive change within our operations and provides a roadmap for our future. Over the months ahead, we will implement these changes incrementally.

We will work hard to implement this plan. The result will be an office that maintains practices that are in keeping with the best in global trends as we fulfill our mandate for Nova Scotians. This is a mandate that I, and the rest of the staff, take very seriously.

If you have any questions about the plan, the role of the Office, or our work, my staff and I would be happy to discuss them with you.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "J.R. Lapointe". The signature is written in a cursive, flowing style and is positioned below the text "Sincerely yours,".

Introduction to the Strategic Plan

On March 1, 2006, the Nova Scotia Legislature appointed a new Auditor General – Jacques Lapointe, CA•CIA – to carry out the mandate outlined in the Auditor General Act. Later that spring, the Auditor General initiated a comprehensive and highly consultative strategic planning process to identify the priorities and strategies for his Office over the next three to five years.

This resulting strategic plan represents a common vision for the Office that emerged from discussions and workshops with all staff along with the input of key stakeholders from the Legislative Assembly, Cabinet and the senior civil service. This strategic plan will be used to guide the work of the Office and to communicate its results with the Legislature and the public. It will serve as the means for demonstrating how the Office fulfils its mandate on behalf of all Nova Scotians.

The Office of the Auditor General

The Office of the Auditor General of Nova Scotia is established by the Auditor General Act. The Auditor General is appointed pursuant to this Act which gives him his mandate, including the authority to carry out prescribed examination and reporting duties.

The Auditor General is an officer of the House of Assembly, appointed by the House for a ten-year term. He is responsible to the House and to the people of Nova Scotia for providing independent and objective assurance concerning the operations of government, the use of public funds and the integrity of financial and performance reports. As an independent non-partisan officer of the House, he and his Office help to hold the government to account for its management of public funds and contribute to a well-performing public sector.

The Auditor General Act stipulates that the Auditor General shall:

- provide an annual opinion on the government's financial statements;
- provide an opinion on the revenue estimates in the government's annual budget address;
- examine the management, use and control of public funds; and
- report to the House at least once, and up to three times annually, on the work of the Office.

The Office's mandate is to audit all parts of the provincial public sector including government departments, agencies, boards, commissions, and other bodies responsible to the Crown, including school boards, district health authorities and transfer payment recipients external to the provincial public sector.

The Office provides two principal services to the House. Firstly, it issues independent opinions on government financial reports. Secondly, it conducts performance audits on public sector operations.

The first service will continue to be a high priority activity for the Office, providing assurance on the reasonableness of government financial statements, while focusing on the Office's strategic priority of fostering better financial and performance reporting to the House.

With respect to the second principal service, the Office will focus on conducting modern performance auditing – targeting high risk areas that impact the lives of Nova Scotians, assessing government performance and suggesting improvements that contribute to a more efficient, effective and better performing public sector.

Modern performance auditing assesses issues of governance, as well as value for money (economy, efficiency and effectiveness), internal control and compliance, either for an organization as a whole or for a specific program, process or project. As public awareness of the importance of governance has developed in recent years, auditors now focus more attention on issues of corporate objectives, corporate ethics, accountability, risk management and organizational direction.

Audits seek not only to identify significant issues but provide, where possible, practical recommendations to improve the management of the public sector. Accordingly, the Office's performance audits provide assessments of, and advice on, the extent to which:

- governance frameworks provide appropriate direction, control and accountability;
- value for money is achieved;
- public funds and property are properly managed and accounted for; and,
- legislation and government policies are complied with.

In its work, the Office of the Auditor General is guided by, and complies with, the professional standards established by the Canadian Institute of Chartered Accountants, otherwise known as Generally Accepted Auditing Standards (GAAS). The Office also seeks guidance from other professional bodies and audit-related best practices in other jurisdictions.

Our Vision

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

Our Mission

To serve the people of Nova Scotia and the House of Assembly by making a significant contribution to enhanced public sector accountability and performance.

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.

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

We demonstrate this by:

- making decisions and exercising judgment to add value through our work;
- using our skills and experience to their fullest potential;
- seeking new processes and technology to do our work more effectively and efficiently;
- continuously seeking innovative and better ways of doing things;
- building on experience and applying best practices;
- working as a team;
- consulting with our stakeholders;
- seeking and valuing the contribution of all our staff;
- conducting and using research to stay informed about current events and future trends; and
- producing clear, concise and candid reports.

Independence *We report directly to the Legislature and are non-partisan and objective in our approach. We adhere to our professional codes of ethics and independence standards, avoiding real and perceived conflicts in our relationships and the conduct of our work.*

We demonstrate this by:

- adhering to our professional codes of ethics and independence standards;
- exhibiting independence in fact and in appearance;
- being non-partisan;
- avoiding perceived and real conflicts of interest;
- viewing situations with an appropriate degree of scepticism; and
- building and maintaining appropriate relationships.

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

We demonstrate this by:

- open communication with the Legislature, our auditees, and our staff;
- ensuring transparency;
- respecting one another;
- telling the truth;
- considering different perspectives when making decisions;
- being objective in attitude and decision-making;
- respecting confidentiality; and
- carrying through on promises.

Our Strategic Priorities

The Auditor General has identified four priorities as key to the achievement of our vision:

Serve the Public Interest

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

Enhance Government Performance

Contribute to a more efficient, effective, and better performing public service.

Promote Accountability

Foster better financial and performance reporting to the Legislature and the people of Nova Scotia.

Foster Workplace Excellence

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

Our Strategies

The following 11 strategies support these priorities and the realization of our vision:

- 1** Promote greater understanding of the independence, mandate, and role of the Office of the Auditor General.
- 2** Engage stakeholders more in the work of the Office to increase their commitment and the impact of our work.
- 3** Identify audit priorities and undertake audits that will support enhanced public sector performance and accountability.
- 4** Conduct office-wide, risk-based planning and scheduling for audits.
- 5** Deploy professionals who bring the right qualifications, experience and competence necessary to undertake each audit in the most proficient and effective manner.
- 6** Apply professional audit standards, methodology, and practices consistently across the Office to improve our audit processes and achieve audit products of the highest quality.
- 7** Communicate our audit results clearly and directly to increase the understanding and impact of our work.
- 8** Take measures to improve the extent to which our recommendations are implemented.
- 9** Develop and support staff in achieving professional excellence and their full career potential.
- 10** Employ state-of-the-art professional tools and technology to improve productivity.
- 11** Promote an open, fair, and respectful workplace that fosters a highly productive, accountable and motivated staff.

Our Key Actions

The following summarizes key actions we will be taking to support the implementation of our strategies:

- Prepare and implement a communications plan.
- Establish a consultation process to obtain input from external stakeholders.
- Strengthen audit communication protocols for communication with government on all phases of audit engagements.
- Implement a risk-based methodology for selection of audit priorities.
- Enhance our methodology for risk-based planning of selected audits.
- Determine our needs for specialist expertise and options for meeting them.
- Standardize our audit methodology.
- Further enhance audit quality assurance processes.
- Encourage government to focus on implementation of our recommendations and improve processes for follow-up on audit recommendations.
- Improve various aspects of our management of human resources including improved feedback on performance and implementation of a comprehensive professional development plan.
- Conduct an employee satisfaction survey and address any issues identified.
- Prepare and implement a long-term information technology strategy.

Reporting Our Performance

We believe that it is important for all public sector organizations to report on their performance annually. We issue a Performance Report every spring which is tabled with the Public Accounts Committee and available on our website. Our Performance Report includes performance measures and targets for most aspects of our operations and these will be updated to reflect the new strategic initiatives.

Office of the Auditor General of Nova Scotia

1888 Brunswick Street, Suite 302
Halifax, NS Canada B3J 3J8

Telephone (902) 424-5907

Fax (902) 424-4350

oaginfo@gov.ns.ca

www.gov.ns.ca/audg