

2023
**Report of the Auditor General
to the Nova Scotia
House of Assembly**

**Follow-up of 2018, 2019, and 2020
Performance Audit
Recommendations**

**FOLLOW
UP**



Performance Audit
Independence • Integrity • Impact

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April 18, 2023

Honourable Keith Bain
Speaker
House of Assembly
Province of Nova Scotia

Dear Sir:

I have the honour to submit herewith my Report to the House of Assembly under Section 18(2) of the Auditor General Act, to be laid before the House in accordance with Section 18(4) of the Auditor General Act.

Respectfully,



Kim Adair, FCPA, FCA, ICD.D

Auditor General of Nova Scotia

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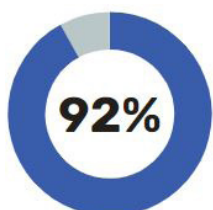
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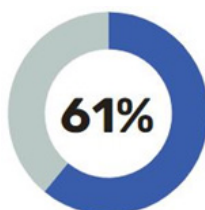
Follow-up of 2018, 2019, and 2020 Performance Audit Recommendations

Overview



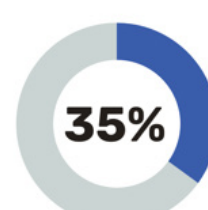
2018

- After four years, government has completed 57 of 62 recommendations



2019

- After three years, government has completed 28 of 46 recommendations



2020

- After two years, government has completed 7 of 20 recommendations

Important Recommendations Still Incomplete

2018 Audit of Grant Programs

4 of 12 recommendations not completed

Finance and Treasury Board has not provided guidance around best practices for grant programs.

Communities, Culture, Tourism and Heritage has not established performance indicators, a risk analysis, or a monitoring process.

2019 Audit of Selection and Quality Management of Bridge Projects in Central and Western Districts

6 of 7 recommendations not completed

Public Works has not taken steps to complete bridge inspections as required.

Public Works has not implemented consistent criteria to prioritize bridge repair and replacement.

2019 and 2020 Audits of QEII New Generation Project – Halifax Infirmary Expansion and Community Outpatient Centre: Phase I and II

6 of 9 recommendations not completed

Public Works has not implemented a contract management process.

Public Works and Nova Scotia Health have not made sure the master plan reflects the needs identified through the functional programming process.

2020 Audit of Nova Scotia Liquor Corporation – Phase I

7 of 11 recommendations not completed

The Nova Scotia Liquor Corporation has not completed a review of its reduced markup structure.

The Nova Scotia Liquor Corporation has not reviewed its mystery shop program.

Why We Follow Up

- Risks remain when government does not complete the recommendations they committed to implement.
- Government has agreed to our recommendations and Nova Scotia's Auditor General Performance Audit policy states recommendations are to be completed within two years.
- Our Office provides assurance on recommendations starting two years after a report is released.
- This report will assist the Public Accounts Committee, the House of Assembly, and the public to hold government accountable for timely completion of the recommendations.
- Results by Organization as confirmed by the Auditor General for recommendations from 2018, 2019, and 2020 can be found in Appendix II.
- Early progress updates from organizations with recommendations issued in 2021 can be found in Appendix III. These updates are for information purposes and have not been audited.

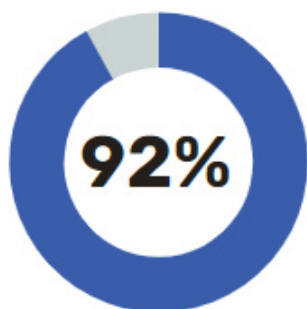
2023 Follow-up Reporting Timeline



*See Appendix III for progress updates

Chapter 1

2018 Performance Audit Recommendations



2018 Overall Results

Government completed 92% (57 of 62) after four years

Government accepted all recommendations from our 2018 audit reports. We continue to encourage government to work to address the remaining outstanding recommendations

SCORE CARD

Legend	100%	50-99%	Less than 50%
Recommendations Completed	✓	!	✗

Report and Audit Title	Recommendations				
	Total	Not Completed	Completed		
May 2018					
Grant Programs	12	4	8	67%	!
Correctional Facilities	12	1	11	92%	!
Maintenance Enforcement Program	6	0	6	100%	✓
December 2018					
Management and Oversight of Health Sector Information Technology	21	0	21	100%	✓
IWK Health Centre: Financial Management Controls and Governance	8	0	8	100%	✓
Workers' Compensation Board: Governance and Long-term Sustainability	3	0	3	100%	✓
Total	62	5	57	92%	

Recommendations Outstanding

2018 Audits – Outstanding Recommendations	Organization	# Not Completed
May 2018: Grant Programs	Finance and Treasury Board	1
	Communities, Culture, Tourism and Heritage	3
May 2018: Correctional Facilities	Justice	1

Questions Nova Scotians May Want to Ask Regarding 2018 Audits

Grant Programs

1. What performance indicators does Communities, Culture, Tourism and Heritage plan to develop to regularly evaluate grant programs?
2. How will Communities, Culture, Tourism and Heritage ensure they are regularly using a comprehensive risk analysis to aid with the design of grant programs?

Correctional Facilities

3. How will Justice make sure all correctional facility staff complete their required training and recertifications?

1 2018 Performance Audit Recommendations

Audits with Recommendations Not Completed

- 1.1 Five recommendations from our 2018 audits remain not completed after four years.
- 1.2 We provide additional information, as well as the original and updated responses from each organization, in the following paragraphs for recommendations from audits that have not been completed and the risks that remain.

May 2018: Grant Programs

- 1.3 The Departments of Finance and Treasury Board and Communities, Culture, Tourism and Heritage have not completed the following four recommendations:

Recommendation 1.1

The Department of Finance and Treasury Board, in consultation with the Executive Council Office, should develop a framework to provide guidance to public sector entities on best practices for grant program design, administration, and monitoring of compliance at a program design level.



Our 2018 audit found a variety of approaches, both within and across departments in the design of grant programs. There had also been insufficient program evaluation. By not completing this recommendation, public sector entities may not use a consistent approach to grant program design, applicants may not be treated consistently, and risks to the Province may not be appropriately considered and addressed.

Finance and Treasury Board response from original report (2018): The Department of Finance and Treasury Board accepts this recommendation and will work with Executive Council Office, as well as departments with grant programs, to develop such a framework.

Finance and Treasury Board response as of October 2022: A corporate grants committee, established and monitored by the Associate Deputy Minister through the Senior Financial Executive Forum (SFEF), shall develop a management policy addressing the recommendation. The estimated completion time will be the end of the 2022 calendar year.

Recommendation 1.2

The Departments of Agriculture; Communities, Culture and Heritage; and Natural Resources should establish performance indicators, measure performance, and regularly evaluate grant programs.



Our 2018 audit found the departments not adequately evaluate programs to determine if they are meeting goals and objectives. All 18 programs looked at as part of the audit had some degree of documented goals and objectives, however 17 programs had not established adequate performance measures and indicators to assess if programs are achieving the goals and objectives. By not completing this recommendation, grant programs may not meet goals and objectives.

Communities, Culture and Heritage response from original report (2018): The Department of Communities, Culture and Heritage agrees with this recommendation and is currently undertaking a review of all grants and funding programs. The outcome of this review will provide direction for performance indicators, tools to measure performance and evaluation methods for regularly evaluating grant programs.

Communities, Culture, Tourism and Heritage response as of October 2022: Evaluating programs helps the Department ensure investments are having the intended impact in communities. As such, the Department uses a variety of methods to evaluate programs to support continuous improvement. Staff have reviewed and updated program guidelines, application forms and final report criteria to ensure program goals and objectives are understood and applicants demonstrate how they will work towards them. Staff regularly review and update key documents and share learnings with key partners. In addition, various programs seek feedback from grantees through surveys. Several programs have developed more robust evaluation approaches, including tracking key indicators. The completion date for this is expected to be the end of Fiscal Year 2022/23.

Recommendation 1.3

The Departments of Agriculture; Communities, Culture and Heritage; and Natural Resources should develop a comprehensive risk analysis and use this to assess the design of all grant programs.



Our 2018 audit found departments were not adequately analyzing risks when developing grant programs. Clear evidence showing that the risks were assessed and incorporated into program design was only present for 1 of the 18 programs examined. By not completing this recommendation, there may not be consistent approaches to grant program design that are in line with best practices.

Communities, Culture and Heritage response from original report (2018): The Department of Communities, Culture and Heritage agrees with this recommendation. As part of the review, the Department will develop and use a comprehensive risk analysis in grant program design.

Communities, Culture, Tourism and Heritage response as of October 2022: The Department has taken deliberate action to build a risk-based culture to ensure risks are understood, identified, and controlled in various ways throughout the grant life-cycle. A risk assessment tool has been developed and tested multiple times with staff. Staff complete the tool in a workshop setting to ensure cross-divisional perspectives inform the assessment. The tool notes required controls and mitigation strategies. The Department will conduct the remaining risk assessments by the end of Fiscal Year 2022/23.

Recommendation 1.4

The Departments of Agriculture; Communities, Culture and Heritage; and Natural Resources should develop monitoring processes for grant management to ensure required controls are followed for each stage of the grant process.



Our 2018 audit found sufficient evidence of the process followed to support the approval for a grant decision was not always available. There were many cases where there were no checklists, assessment tools, or other documentation to demonstrate that the application had been reviewed. The same issue was noted regarding accountability requirements. Information was in the files, but it was unclear what program officers reviewed before disbursing funding. By not completing this recommendation, grant programs may not be monitored to ensure all necessary steps have occurred for each stage of the grant process.

Communities, Culture and Heritage response from original report (2018): The Department of Communities, Culture and Heritage agrees with this recommendation. Working within the framework prepared by Department of Finance and Treasury Board, the department will improve grant management monitoring processes for each stage of the grant process.

Communities, Culture, Tourism and Heritage response as of October 2022: The Department has developed ways to ensure appropriate oversight and monitoring of grant programs occurs at each stage of the grant life cycle. The Department has focused on developing consistency, when possible, across grant programs and divisions. The completion date for this is expected to be the end of Fiscal Year 2022/23.

May 2018: Correctional Facilities

1.4 The Department of Justice has not completed the following recommendation:

Recommendation 2.3

The Department of Justice should complete a review of all correctional facilities to identify staff who have not completed or recertified required training and ensure required training is completed.



Our 2018 audit found newly hired correctional officers did not receive required training. Only 4 of 20 records reviewed showed newly hired officers completing all required training. We also found that recertification training for some correctional officers was not timely. For our sample of 20 correctional officers who needed recertification training we found 16 of the officers had at least one course for which training was expired. By not completing this recommendation, correctional facility staff may not have the training or recertifications required to ensure the safety of both staff and offenders and the security of the facility.

Justice response from original report (2018): The Department of Justice agrees with this recommendation. A list of all staff who require training will be compiled and staff will be put on a priority listing for training sessions. Additional training schedules will be arranged. The training matrix will be updated to accurately reflect current certification and recertification standards to align Correctional Services standards with best practice standards. Timing: March 31, 2019.

Justice response as of October 2022: The Training Standards Matrix has been updated. The new electronic Learning Management System tracks all training for Correctional Services staff. Correctional Services has facilitated training courses for staff as identified by the Auditor General. Specific training gaps have been identified and some gaps addressed. Training was planned for spring 2020 to achieve completion of the recommendation, but all in-person training was postponed due to COVID-19. The recurring COVID 19 waves throughout 2020, 2021 and 2022 resulted in increased public health measures for Correctional Services which negatively impacted the ability to facilitate group training. After receiving the approval to combine groups and increase participant numbers, Correctional Services will be able to complete this recommendation by April 2023.

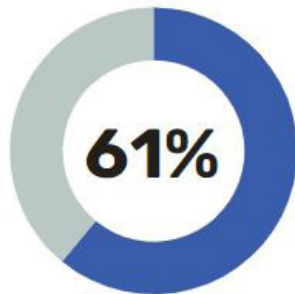
Organizations with All Recommendations Completed

2018 Audits – All Recommendations Completed	Organization
May 2018: Grant Programs	Agriculture
	Natural Resources and Renewables
May 2018: Maintenance Enforcement Program	Justice
December 2018: Management and Oversight of Health Sector Information Technology	Health and Wellness
	IWK Health Centre
	Nova Scotia Health
	Service Nova Scotia and Internal Services
December 2018: IWK Health Centre: Financial Management Controls and Governance	IWK Health Centre
December 2018: Workers' Compensation Board: Governance and Long-term Sustainability	Workers' Compensation Board

**See Appendix II for a list of the completed recommendations*

Chapter 2

2019 Performance Audit Recommendations



2019 Overall Results

Government completed 61% (28 of 46) after three years

Government accepted all recommendations from our 2019 audit reports. We continue to encourage government to work to address the remaining outstanding recommendations

SCORE CARD

Legend	100%	50-99%	Less than 50%
Recommendations Completed	✓	!	✗

Report and Audit Title	Recommendations				
	Total	Not Completed	Completed		
January 2019					
Information Access and Privacy Information Technology Projects	5	1	4	80%	!
May 2019					
Diversity and Inclusion in the Public Service	16	8	8	50%	!
Selection and Quality Management of Bridge Projects in Central and Western Districts	7	6	1	14%	✗
Workers' Compensation Board: Claims Management	12	1	11	92%	!
December 2019					
Reducing Regulatory Burden	1	0	1	100%	✓
QEII New Generation Project – Halifax Infirmary Expansion and Community Outpatient Centre	5	2	3	60%	!
Total	46	18	28	61%	

Recommendations Outstanding

2019 Audits – Outstanding Recommendations	Organization	# Not Completed
January 2019: Information Access and Privacy Information Technology Projects	Service Nova Scotia and Internal Services	1
May 2019: Diversity and Inclusion in the Public Service	Agriculture	2
	Community Services	1
	Justice	1
	Public Service Commission	4

Continued on next page

Recommendations Outstanding

2019 Audits – Outstanding Recommendations	Organization	# Not Completed
May 2019: Selection and Quality Management of Bridge Projects in Central and Western Districts	Public Works	6
May 2019: Workers' Compensation Board: Claims Management	Workers' Compensation Board	1
December 2019: QEII New Generation Project – Halifax Infirmary Expansion and Community Outpatient Centre	Public Works	2

Questions Nova Scotians May Want to Ask Regarding 2019 Audits

Information Access and Privacy Information Technology Projects

1. How will Service Nova Scotia and Internal Services confirm that vendors are complying with contract terms at all stages of the contract?

Diversity and Inclusion in the Public Service

2. How will Agriculture, Community Services and Justice work with the Public Service Commission to regularly review their human resource practices to identify and remove barriers to employment, retention, and advancement for members of designated groups?
3. How will the Public Service Commission evaluate diversity and inclusion strategies, and make sure it identifies, collects, and analyzes information needed to assess diversity and inclusion programs and initiatives?
4. How will the Public Service Commission assess the effectiveness and consistent application of the Employment Equity and Respectful Workplace policies?

Selection and Quality Management of Bridge Projects in Central and Western Districts

5. How will Public Works make sure bridges are safe for Nova Scotians?
6. What is Public Works doing to ensure warranty repairs are covered by the responsible parties and not Nova Scotian taxpayers?

Workers' Compensation Board: Claims Management

7. How will the Workers' Compensation Board enforce a targeted timeframe for appeal decisions and ensure they contain documentation to support the actions taken with proper oversight?

QEII New Generation Project – Halifax Infirmary Expansion and Community Outpatient Centre

8. How will Public Works oversee its service providers and document the monitoring results?
9. How will Public Works require that contracts signed with private sector parties are consistent with procurement documentation and protect the public interest?

2 2019 Performance Audit Recommendations

Audits with Recommendations Not Completed

- 2.1 Eighteen recommendations from our 2019 audits remain not completed after three years.
- 2.2 We provide additional information, as well as the original and updated responses from each organization, in the following paragraphs for recommendations from audits that have not been completed and the risks that remain.

January 2019: Information Access and Privacy Information Technology Projects

- 2.3 The Department of Service Nova Scotia and Internal Services has not completed the following recommendation:

Recommendation 1.4

The Department of Internal Services should establish a process to ensure and document vendor compliance with contract terms at all stages of a contract.



Our 2019 audit found the Department had placed extensive reliance on outside vendors for project management, risk assessment, and overall due diligence. In so doing, the Department may have allowed vendors to focus on their own goals and not the contract terms. By not completing this recommendation, the vendors may not be complying with contract terms at all stages of the contract.

Department of Internal Services response from original report (2019): The Department of Internal Services accepts this recommendation. With the creation of Shared Services, more robust processes are being put in place to manage and administer IT vendor compliance starting with major contracts and vendor relationships. Contracting terms and processes associated with compliance are stronger in newer contracts. An analysis of Vendor Relations and Contract Governance capacity has been completed. Work will continue to ensure processes are put in place to monitor compliance with contract terms.

Service Nova Scotia and Internal Services response as of October 2022: The Department of Service Nova Scotia and Internal Services assessed capacity for vendor oversight. The Department reviewed major contracts and have identified those that require formalized vendor oversight, ensuring that all major contracts led by Nova Scotia Digital Service have an owner who leads the ongoing vendor engagement. The Department is developing ongoing processes to monitor compliance with contract terms. The estimated completion time is Fall 2022.

May 2019: Diversity and Inclusion in the Public Service

- 2.4 The Departments of Agriculture, Community Services, Justice and the Public Service Commission have not completed the following eight recommendations:

Recommendation 1.3

The Public Service Commission should implement a process to identify, collect, and analyze data needed to assess diversity and inclusion programs and initiatives.



Our 2019 audit found the Public Service Commission did not have an adequate process in place to identify and collect the data needed to assess the effectiveness of diversity and inclusion initiatives. The only data collected at the time of the audit came from a voluntary survey, which did not provide an accurate measure of diversity within the provincial government workforce. By not completing this recommendation, programs and initiatives may not be meeting their intended goals, and resources may not be focused on areas where they are needed the most.

Public Service Commission response from original report (2019): The Public Service Commission agrees with this recommendation. Data collection and analysis are key components to assess effectiveness of diversity programs and initiatives. The Deputies' Council has decided that the new diversity and inclusion strategy will include a focus on measurement, to be implemented through the Public Service Commission (PSC). Our present data collection processes are under review, and we will be developing both technological and process solutions. The PSC will also develop a robust process to identify, collect, and analyze data related to the new goals of the diversity strategy which will be critical in the achievement of the next diversity and inclusion strategy. Timing: October 2019.

Public Service Commission response as of October 2022: The Public Service Commission created an evaluation plan to inform its data collection and analysis of diversity and inclusion programs. PSC also uses Global Diversity Equity and Inclusion Benchmarks evaluation standards to measure progress/efficacy of the All Together Diversity and Inclusion Strategy, as well as department progress on employment equity plans. In addition, PSC conducts the How's Work Going? employee engagement survey which gathers important feedback from public service employees, especially equity-seeking employees on their employment experience in the NS Public Service. How's Work Going? data will be collected in November 2022, with results being released in early 2023.

Recommendation 1.4

The Public Service Commission should implement a process to assess the effectiveness and consistent application of the Employment Equity and Respectful Workplace policies.



Our 2019 audit found the Public Service Commission was not assessing departmental compliance with the Province's Employment Equity and Respectful Workplace policies or assessing the effectiveness of these policies. By not completing this recommendation, the Employment Equity and Respectful Workplace policies may not be consistently applied or be operating effectively.

Public Service Commission response from original report (2019): The Public Service Commission agrees with this recommendation. These policies are reflective of our Public Service values and build a foundation toward providing safe, inclusive work environments. As a part of the new strategy on diversity, the PSC will regularly monitor the effectiveness and consistent application of the Employment Equity and Respectful Workplace policies. The Public Service Commission will develop reporting criteria, measurement parameters and a reporting template to monitor the consistent application of these policies across all departments in the NS public service. Both Employment Equity and Respectful Workplace policies are currently under review and will explicitly state that the PSC is responsible for monitoring and evaluation of effectiveness. Timing: May 2020.

Public Service Commission response as of October 2022: In March 2022, Public Service Commission (PSC) facilitated Employment Systems Reviews and a review of audits on competitions to identify barriers faced by equity seeking groups. Recommendation to hire documents now require Deputy Ministers to ensure Employment Equity Policy application. PSC reviews competitions to check for adherence to the policy. Training for leaders includes equity and diversity considerations in the hiring process, including reviews of relevant policies. PSC will leverage existing data collection processes to incorporate into its reviews of the Employment Equity Policy (2022-2023) and the Respectful Workplace Policy (2023-2024).

Recommendation 1.6

The Public Service Commission should evaluate how training is delivered to make it as accessible as possible to staff. Policy guidance should also be developed and include timeframes for when training should be completed and whether it needs to be retaken at regular intervals.



Our 2019 audit found inconsistent information for the timeframes for staff to complete mandatory training and whether the training needed to be retaken at regular intervals. The limited class sizes offered by the Department also impacted the timeliness and completion of mandatory training. By not completing this recommendation, government mandated training may not be completed or retaken as required.

Public Service Commission response from original report (2019): The Public Service Commission agrees with this recommendation. The PSC agrees that making training accessible to all employees will continue to be a priority. We are currently reviewing our course offerings, course content, delivery methodologies and alternative offerings. In collaboration with other departments, we are identifying and training a greater number of facilitators across the public service. We will continue to provide high quality, experiential training. The Employment Equity and Respectful Workplace policies and guidelines are currently under review. In the new guidelines, we will identify priorities to address department needs, client service and timelines consistent with the new diversity strategy. Timing: September 2020.

Public Service Commission response as of October 2022: In-class training was suspended in March 2020 due to the pandemic, so the Public Service Commission converted in-class training to online modules for many of its training courses, including mandatory Diversity and Inclusion training. This allowed a greater number of public servants to access training. Virtual facilitated training began in September 2020. Updated Respectful Workplace training was rolled out in July 2020, with one online module for all employees. Three guidelines were created to support the Respectful Workplace Policy: Manager, HR Professional, and Employee Guidelines. The guidelines and training were developed to include visual impairment supports for accessibility. The Employment Equity Policy is currently under review. This work will include modernizing the language and creating timeframes for training to be completed and retaken. The estimated completion time is Fiscal Year 2023/24.

Recommendation 1.7

The departments of Agriculture, Community Services, and Justice should work with the Public Service Commission to develop and implement formal processes to regularly review their human resources practices to identify and remove barriers to employment, retention, and advancement for members of the designated groups.



Our 2019 audit found there was no process in place to regularly review human resources practices to reduce barriers for designated groups. By not completing this recommendation, human resource practices in these organizations may not identify potential barriers to

employment, retention, and advancement for members of the designated groups, or that organizational resources may not focus on the areas with the greatest impact.

Public Service Commission response from original report (2019): The Public Service Commission agrees with this recommendation. The PSC will develop and implement a consistent methodology for the review of systemic barriers regarding recruitment, retention, and advancement of equity candidates and employees. The PSC has recently conducted an organizational restructuring, where the Recruitment, Diversity, and Organizational Development units will reside within the same division. This restructuring was conducted, in part, to clearly reflect the linkages between these areas and to create further synergies toward reducing barriers in recruitment and advancement for equity-seeking groups. The PSC agrees that, while the Employment Equity policy requires departments to monitor human resource practices regarding diversity, we would benefit from a formalized approach to review these practices. The new diversity and inclusion strategy, and Employment Equity policy review, will define a process to assist departments in a coordinated and meaningful manner. Timing: January 2020.

Public Service Commission response as of October 2022: In March 2022, Public Service Commission (PSC) facilitated Employment Systems Reviews (ESRs) and a review of audits on competitions to identify barriers faced by equity seeking groups during recruitment, hiring, and career advancement. PSC is also working with two pilot sites (Departments of Public Works and Communities, Culture, Tourism & Heritage) to implement their own departmental ESRs. Through the pilot, PSC created resources to share with departments to enable them to easily implement their own independent ESR processes. PSC will share these resources after the pilots are completed (end of December 2022) and the learnings are applied.

Agriculture response from original report (2019): The Department of Agriculture agrees with this statement. Agriculture will work with the Public Service Commission to implement the corporate methodology developed to achieve this recommendation through supervisory awareness and training. This training will occur as soon as operationally possible following the development of the corporate methodology, but not exceeding six months of the development.

Agriculture response as of October 2022: The Public Service Commission (PSC) hired Turner Consulting in September 2021 to complete the Employment Systems Review (ESR). A final report, with recommendations, was produced and submitted in May 2022. The report will be released to government employees, for transparency and accountability. Public Works and Communities, Culture, Tourism and Heritage are piloting the ESR process. The resources for departmental level ESRs have been created, such as the online survey, communications templates, etc., so that the process can be implemented by other departments. Agriculture will undertake the ESR within six months of the pilots being complete.

Community Services response from original report (2019): The Department of Community Services accepts this recommendation. We now have work underway in this area and are proud to have designated two management positions in 2018. We are also working with the PSC to set specific targets for DCS regarding continuing to increase diversity of staffing across the department. We will collaborate with the PSC so that by the end of 2020 we will have developed and implemented processes to regularly review our human resource practices to ensure we take every effort to remove barriers to employment, retention, and advancement for members of designated groups. As part of this work, we will complete an initial review of our departmental human resource practices, using the Employment Equity Hiring Policy Guidelines, to inform the creation of an action plan that would address areas for improvement.

Community Services response as of October 2022: Significant work has been completed to identify and remove barriers to employment, improve retention and advancement of members of the designated groups. The Public Service Commission (PSC) has created a process and tools for departments to use to refresh their Employment System Review (ESR) data. The PSC is piloting the process and tools prior to final release. A departmental ESR will be implemented when the Public Service Commission finishes the pilot and releases the final process and tools to departments. This recommendation is estimated to be completed by March 31, 2023.

Justice response from original report (2019): The Department of Justice is supportive of this recommendation. Recent additions include two Indigenous Liaison Officers; an African Nova Scotian Program Officer and a Cultural Liaison Provincial Program Officer. These positions meet the needs of those in the justice system; serve as a cultural resource for staff; and work closely with community. The Department continues to hire graduates from the Indigenous Black and Mi'kmaq (IB&M) Program to article with Legal Services Division. The Department's diversity and inclusion plan will focus on recruitment, retention and advancement and cultural events. The Department just completed a workshop with colleagues from the Public Service Commission to identify targets to improve recruitment of designated groups. The Department continues to work closely with our colleagues from the Public Service Commission to have formal processes in place to regularly review the human resource practices and this has been captured in our diversity and inclusion department-wide plan.

Justice response as of October 2022: The multi-department internal audit of the Talent Acquisition function has been completed and Justice has received the report. Significant work has been completed to identify and remove barriers to employment, improve retention and advancement of members of the designated groups. The Public Service Commission (PSC) has created a process and tools for departments to use to refresh their Employment System Review (ESR) data. The PSC is piloting the process and tools prior to final release. A departmental ESR will be implemented when the Public Service Commission finishes the pilot and releases the final process and tools to departments.

Recommendation 1.8

The departments of Agriculture, Community Services, and Justice should ensure diversity and employment equity progress reports clearly assess the status of diversity and inclusion goals. These reports should also be communicated to staff throughout the departments.



Our 2019 audit found departments had set goals relating to diversity and inclusion, but they were not assessing the status of their goals based on the work completed. By not completing this recommendation, diversity and inclusion goals will not be met or there may not be continual progress toward improving diversity and inclusion within the department.

Agriculture response from original report (2019): The Department of Agriculture agrees with this statement. Starting with the 2018-2019 Diversity and Employment Equity Progress Report, the Department will include an assessment of the stated goals. In addition, the finalized Departmental Reports will be posted on our intranet site and communicated through a weekly internal news bulletin.

Agriculture response as of October 2022: Annual Equity reports were posted on our internal Sharepoint site and are emailed to all staff. The Department has dedicated resources for a designated Director of Equity, Inclusion and Belonging to lead the diversity aspect of the Department's strategic planning and HR Strategy. The Director is currently being recruited. Once in place in early fall, they will lead the corporate equity, diversity and inclusion work and will provide senior leadership in the Department to set additional specific goals for the Department's Diversity and Employment Report before the next fiscal year in April 2023.

May 2019: Selection and Quality Management of Bridge Projects in Central and Western Districts

2.5 The Department of Public Works has not completed the following six recommendations:

Recommendation 2.1

The Department of Transportation and Infrastructure Renewal should review its processes and systems used to track bridge information and inspections. The Department should identify and take appropriate action to ensure information about bridges, including recommended repairs and maintenance history, is complete, accurate, and accessible.



Our 2019 audit found the Department did not have a process to centrally record work completed on bridges, even though its information system was capable of recording maintenance history. By not completing this recommendation, the Department may not have complete, accurate and accessible information about bridges including recommended repairs and maintenance history.

Transportation and Infrastructure Renewal response from original report (2019): The Department will review the processes and systems used to track bridge information and inspections and determine appropriate actions for ensuring information about bridges, including recommended repairs and maintenance history, is complete, accurate and accessible. This will include an investigation of software upgrades and updating of policies and procedures. This review, and any subsequent implementation, will be in place within 24 months. The Department is also hiring a maintenance planner who will prioritize maintenance, inspections and upkeep of all highway infrastructure including bridges. This position should be in place within six months.

Public Works response as of October 2022: The Department of Public Works has hired a Maintenance Planner; collected, analyzed and validated bridge data; reviewed all bridges for ownership, inspection and maintenance responsibilities; issued a Request for Information responses for a new Bridge Management Software (BMS), and received approval to purchase a new software system. The new software will ensure information about bridges is complete, accurate, and accessible. The estimated completion time to implement the BMS is December 2023.

Recommendation 2.2

The Department of Transportation and Infrastructure Renewal should implement a process of using consistent criteria to assist management to determine bridge priorities at the district and provincial levels.



Our 2019 audit found management did not have documented criteria to objectively rank and assess projects. By not completing this recommendation, bridges that are the highest priority for repair or replacement may not be identified appropriately.

Transportation and Infrastructure Renewal response from original report (2019): The Department will ensure the process currently in place is formalized and made provincially consistent for the decisions around bridge repairs and replacement. This will include the parameters used in the prioritization process. This process will be implemented for the 2021-22 Capital Plan.

Public Works response as of October 2022: The Department of Public Works is reviewing other jurisdictional practices and working on developing criteria for prioritization of bridge work and projects. Formalization of a Bridge Project Prioritization Procedure and draft criteria for Sufficiency Rating will continue and be incorporated into a new Bridge Management System software, which will include a tracking system; modelling and analytics; program and project analysis; performance measures and historic data. Target performance measures/goals and a decision-making matrix will be developed to help determine the essentiality of bridges to the network and the future of crossing locations. Estimated completion time is December 2023.

Recommendation 2.3

The Department of Transportation and Infrastructure Renewal should complete bridge inspections as required by Department policy.



Our 2019 audit found inspectors were not completing all regular inspections as required. By not completing this recommendation, inspections may not be completed, and safety concerns may not be identified in a timely manner.

Transportation and Infrastructure Renewal response from original report (2019): The Department will review the processes and systems used to track bridge inspections and determine if any additional resources are required to ensure Department policy is met. This review, and any subsequent implementation, will be in place within 24 months.

Public Works response as of October 2022: The Department of Public Works has updated the bridge inspection policies and procedures. This also includes Quality Assurance requirements to help ensure quality bridge inspections. Tracking systems will be part of a new asset management software program. In the interim, staff are getting regular data extracts from the system to track progress of inspections. The bridge inspection procedure has been updated, is under review and will be finalized. Estimated completion time is December 2023.

Recommendation 2.4

The Department of Transportation and Infrastructure Renewal should implement regular monitoring of information system data, inspection results and documentation, and project files to ensure there is complete and accurate information on the condition of bridges and to monitor compliance with Department policies and processes.



Our 2019 audit found the Department did not have a monitoring process in place for the data in the information system or for the inspection of bridges. Annual reviews were also not completed as part of the internal quality assurance process. By not completing this recommendation, management may not have up to date inspection data to support decision making and project prioritization, and safety concerns or other issues may not be identified and corrected in a timely manner.

Transportation and Infrastructure Renewal response from original report (2019): The Department will review the processes and systems used to track bridge inspections and determine if any additional resources are required to ensure information system data, inspection results and documentation, and project files are complete and accurate. The Department will also monitor compliance with policies and processes. This review and any subsequent implementation will be in place within 24 months. The Department is also hiring a maintenance planner who will prioritize maintenance, inspections and upkeep of all highway infrastructure including bridges. This position should be in place within six months.

Public Works response as of October 2022: A maintenance planner has been hired. The Department of Public Works (DPW) is having monthly status reports and statistics prepared for bridge managers on the numbers of completed inspections. New Bridge Management Software (BMS) will allow inspectors and managers to view the progress of completing inspections, query and report on status of completed inspections. DPW will develop Quality Assurance and Quality Control programs to address these concerns, which may include internal and/or external audits, calibration sessions and other processes. Estimated completion time to implement the BMS is December 2023.

Recommendation 2.5

The Department of Transportation and Infrastructure Renewal should annually review the Project Engineers' Field Manual and the Standard Specification: Highway Construction and Maintenance manual. Updates should be made as needed based on the outcome of the reviews.



Our 2019 audit found management and staff did not annually review or update the project engineer's manual as required. It was last revised in May 2006. By not completing this recommendation, staff may have unclear or outdated expectations related to bridge projects.

Transportation and Infrastructure Renewal response from original report (2019): The Department has recently completed an update of the Standard Specification Manual and will continue to review annually as needed. The Department feels the Project Engineers' Field Manuals do not require an annual review. TIR will review and determine a more practical update cycle. There is a quality assurance position which has been vacant but will be filled within six months. This position will also be responsible for updating the Project Engineer manual.

Public Works response as of October 2022: Quality Assurance Position has been hired. The Standard Specification: Highway Construction and Maintenance manual has been updated and continues to be reviewed every year. The Project Engineers' Field Manual review has started. Specifications Committees are now meeting a minimum of three times a year to review issues which may arise. Any changes resulting from meetings will be incorporated into annual update of the Standard Specification Manual. The estimated completion time is March 2023.

Recommendation 2.6

The Department of Transportation and Infrastructure Renewal should implement a process to monitor bridge-related warranties.



Our 2019 audit found staff did not complete the required check of contractors' work for nine of the 12 projects tested that were entering or completing their one-year and/or three-year warranty period. By not completing this recommendation, the Department may pay for repairs that a contractor should have corrected under warranty.

Transportation and Infrastructure Renewal response from original report (2019): The Department has already started implementation of a monitoring process related to bridge warranties which includes a notification procedure. This will be in place within six months and monitoring will ensure effectiveness.

Public Works response as of October 2022: A Bridge Warranty monitoring procedure is currently in place and in use. The Department has already started implementation of a monitoring process related to bridge warranties which includes a notification procedure. The Department of Public Works will revisit one-year warranty and three-year warranty requirements. Through the regular project auditing process, the Quality Assurance person will review a minimum of one bridge project in a year.

May 2019: Workers' Compensation Board: Claims Management

2.6 The Workers' Compensation Board has not completed the following recommendation:

Recommendation 3.7

The Workers' Compensation Board should establish processes to ensure that appeal decisions are made within targeted timeframes, case management is clearly documented to support reasonable actions were taken to resolve the file in an efficient manner, and proper oversight exists.



Our 2019 audit found there was no standard process to indicate what documentation should be in each claim file and no clear expectation for process hearing officers of the steps to document. There was also no guidance on what to do when delays were requested or how to prioritize files. These omissions led to significant delays in the appeal process. By not completing this recommendation, appeal decisions may not be made and communicated to workers in a timely manner and files may not contain documentation to support the actions taken.

Workers' Compensation Board response from original report (2019): The Workers' Compensation Board agrees with this recommendation. Over the next 12-24 months the WCB will review the current process and research best practice to ensure an efficient and timely internal appeals process within the policy timelines, including developing standards for documentation and monitoring of performance to standards. To improve timeliness of appeal decisions, the WCB has hired an additional Hearing Officer.

Workers' Compensation Board response as of October 2022: The WCB is focused on addressing the volume and timeliness of appeals reviews and employer file disclosure requests. All recommended actions are being implemented, including a new procedure and practice directives focused on improving the overall timeliness of appeal resolution. Efforts are ongoing with respect to the application of the new procedure and practice directives. The Internal Appeals department has recently achieved a full complement of Hearing Officers and efforts continue to resolve the inventory of outstanding appeals. In addition, the WCB is implementing a mechanism for management to better monitor timeliness performance standards. Additional time is required to ensure maturity of the processes and monitoring before demonstrating improvement.

December 2019: QEII New Generation Project – Halifax Infirmary Expansion and Community Outpatient Centre

2.7 The Department of Public Works has not completed the following two recommendations:

Recommendation 2.4

The Department of Transportation and Infrastructure Renewal should implement a contract management process to fully oversee contracts related to the Halifax Infirmary Expansion and the Community Outpatient Centre. This process should include documentation to support the oversight of service providers.



Our 2019 audit found the Department did not have documentation of its oversight of the consultant hired to complete the governance and key project capabilities assessment and the Department did not maintain meeting minutes or records from its discussions with the consultant. By not completing this recommendation, weaknesses in the performance of the consultants may not be identified and addressed in a timely manner.

Transportation and Infrastructure Renewal response from original report (2019): This recommendation is accepted. More documentation of the contract management process will be generated to demonstrate in writing the ongoing contract management approach. The long-standing contract management approach utilized by NSTIR is also followed by NS Lands for the QEII New Generation Project. To ensure that evidence of this contract management process will be readily available in the future, more detailed documents will be created throughout the life of the project. Each NSTIR major capital project contract, including those within the QEII New Generation Project, is assigned an internal point of contact for consistency with the external contractor. This internal contact is the designated lead and will be responsible for ensuring that documentation is maintained to demonstrate ongoing contract management efforts. In addition, for long-term P3 contracts, the required processes and documentation will be established as the project proceeds.

Public Works response as of October 2022: The Department of Public Works has approved and funded the hiring of a group of six full-time equivalent employees (FTEs) to oversee contract management. The Halifax Infirmary Expansion project contract will be executed at commercial close scheduled for Winter 2022/2023. An associated project implementation plan has been drafted to govern the contract management plan through construction. A contract management manual (CMM) has also been drafted and is now substantially complete. Final completion is pending select updates to accurately reflect any applicable accountability changes following formal implementation of the revised Crown structure. The CMM outlines the project governance structure and responsibilities during the transition and operations phase of the project. Estimated final completion is Summer 2023.

Recommendation 2.5

The Department of Transportation and Infrastructure Renewal should ensure the timely signing of contracts with private sector partners that are consistent with procurement documents and contain terms to ensure the public interest is protected.



Our 2019 audit found final contracts were signed with each consultant but there was a delay of almost nine months in signing a subsequent contract with one of the consultants for additional work performed. The public interest may not be protected if contracts with private sector partners are not signed in a timely basis or are not consistent with procurement documents.

Transportation and Infrastructure Renewal response from original report (2019): This recommendation is accepted. With both traditional and alternative procurement contracts, the project team will ensure that clear, documented evidence of an agreement between the parties to the fundamental terms and conditions is established as early as possible in a contract relationship. NSTIR standard practice with traditionally procured contracts is to include specific project terms within the release of a Request for Proposal (RFP) tendered document. The evaluation and acceptance of a compliant bid indicates that the requirements outlined in the RFP submission have been met. This process allows NSTIR to formalize the contract through a "letter of award" and be confident the work will be initiated based on agreed upon terms and conditions. The formalized contract can be signed after without limiting the project and value of the work. The project team will continue to be mindful of ensuring the final contract document is signed by all parties within a timely matter and that clear documentation is in place in the event of a delay in finalizing the terms of a contract. For situations in which an alternative procurement strategy is determined to be appropriate, the Province will ensure that fundamental terms and conditions are agreed upon in writing prior to signing the formalized contract.

Public Works response as of October 2022: Nova Scotia Lands Healthcare Infrastructure Projects Division (NSLHI) remains committed to ensuring there is clear, documented evidence of an agreement between all parties to the fundamental terms and conditions of contracts. The procurement of the Halifax Infirmary Expansion project is on schedule for contract signing in Winter 2022/2023. The project team is working through the development of a comprehensive project portfolio for the Halifax Infirmary site (HI block) which will provide the ability to forecast post P3 construction contract projects timing. The team is currently working through the enabling projects phase of the portfolio which is required to be complete by the signing of the Halifax Infirmary Expansion project in Winter 2022/2023.

Organizations with All Recommendations Completed

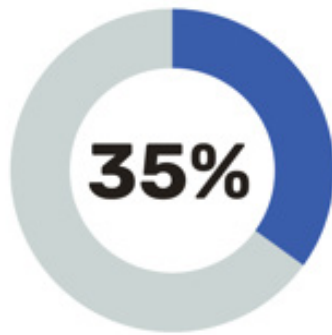
2019 Audits – All Recommendations Completed	Organization
December 2019: Reducing Regulatory Burden	Office of the Regulatory Affairs and Service Effectiveness

* See Appendix II for a list of the completed recommendations

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Chapter 3

2020 Performance Audit Recommendations






2020 Overall Results

Government completed 35% (7 of 20) after two years

Government accepted all recommendations from our 2020 audit reports. We continue to encourage government to work to address the remaining outstanding recommendations

SCORE CARD

Legend	100%	50-99%	Less than 50%
Recommendations Completed	✓	!	✗

Report and Audit Title	Recommendations				
	Total	Not Completed	Completed		
June 2020					
Nova Scotia Liquor Corporation – Phase I	11	7	4	36%	
July 2020					
QEII New Generation Project – Halifax Infirmary Expansion and Community Outpatient Centre – Phase II	4	4	0	0%	
Contaminated Sites	5	2	3	60%	
Total	20	13	7	35%	

Recommendations Outstanding

2020 Audits – Outstanding Recommendations	Organization	# Not Completed
June 2020: Nova Scotia Liquor Corporation – Phase I	Nova Scotia Liquor Corporation	7
July 2020: QEII New Generation Project – Halifax Infirmary Expansion and Community Outpatient Centre – Phase II	Nova Scotia Health	1
	Public Works	3
July 2020: Contaminated Sites	Public Works	2

Questions Nova Scotians May Want to Ask Regarding 2020 Audits

Nova Scotia Liquor Corporation – Phase I

1. How will the NSLC make sure that agreements with other provinces and programs in place to support local manufacturers are beneficial to Nova Scotia?
2. What controls does the NSLC plan to put in place to address the risks related to the manufacturer's permit process and the retail payments received from manufacturers?
3. How will the NSLC decide which retailers should be included in the mystery shop program and how will enforcement of retraining be monitored?

QEII New Generation Project – Halifax Infirmary Expansion and Community Outpatient Centre – Phase II

4. How does Public Works intend to develop a transition plan to guide the Project through its various stages, a stakeholder engagement plan, and a benefits realization plan?
5. How will Public Works assess the impact of COVID-19 on the risks related to the Project?
6. What steps have been taken to guarantee that the needs identified in the functional programs have been accurately captured in the master plan?

Contaminated Sites

7. What steps has Public Works taken to develop a complete inventory of known and potentially contaminated sites for which the Province is responsible?
8. How will Public Works assess and prioritize all known and potentially contaminated sites under provincial control?

3 2020 Performance Audit Recommendations

Audits with Recommendations Not Completed

- 3.1 Thirteen recommendations from our 2020 audits remain not completed after two years.
- 3.2 We provide additional information, as well as the original and updated responses from each organization, in the following paragraphs for recommendations from audits that have not been completed and the risks that remain.

June 2020: Nova Scotia Liquor Corporation – Phase I

- 3.3 The Nova Scotia Liquor Corporation has not completed the following seven recommendations:

Recommendation 1.3

The Nova Scotia Liquor Corporation should review, evaluate, and document each reduced markup structure, defining the goals and objectives, assessing the appropriateness of the markup rate, and conducting a thorough risk assessment, including compliance with trade agreements.



Our 2020 audit found markup structures for alcohol were not adequately planned or evaluated. By not completing this recommendation, the NSLC may not be aware of how changes to the current markup structure may impact the market and if the current structures continue to be appropriate or are achieving the intended objectives.

Nova Scotia Liquor Corporation response from original report (2020): The NSLC agrees with this recommendation and will ensure all reduced markups are appropriately documented in their published manufacturing policies. Definition of goals and objectives of the reduced markups, an assessment of the current markup rates, and compliance with trade agreements will in part depend on sector objectives as well as the outcome of the current WTO complaint with Australia. This requires consultation with external stakeholders. Timing: Implementation August 2021.

Nova Scotia Liquor Corporation response as of October 2022: As the Province evaluates alternatives to address World Trade Organization agreement with Australia related to the Emerging Wine Region Policy, the Nova Scotia Liquor Corporation (NSLC) will defer completing evaluation of current markup structures for Nova Scotia farm winery product and other categories. Jurisdictional scan of industry support is underway. Preliminary discussions have occurred with local industry regarding issues and opportunities associated with current markup structures and local industry policies, as well as local engagement on several topics related to these items. A new Manufacturer's policy has been drafted and is in the circulation for final approval. The estimated completion time is March 31, 2023.

Recommendation 1.4

The Nova Scotia Liquor Corporation should establish a process, including qualifying requirements, for marketing products as Proudly Nova Scotian.



Our 2020 audit found the NSLC did not have a policy specifying the requirements for a product to be marketed as Proudly Nova Scotian. By not completing this recommendation, manufacturers may be unsure of what qualifies as Proudly Nova Scotian, and consumers may not be informed on what the branding represents.

Nova Scotia Liquor Corporation response from original report (2020): The NSLC agrees with the recommendation. The NSLC will develop and implement a clear definition of product being labelled as “Local.” The NSLC will work closely with industry and sector stakeholders with an attempt to clearly align and define Proudly Nova Scotian and its marketing to our customers. Timing: Implementation April 2021.

Nova Scotia Liquor Corporation response as of October 2022: The Nova Scotia Liquor Corporation (NSLC) completed jurisdiction scans, engaged other provincial retailers, and conducted market research to gauge customer perceptions on local and how NSLC should classify it in their sales channels. Research was shared with local suppliers; engaged all groups to solicit information and perspective on frameworks; conducted focus groups with customers. Department of Agriculture/Perennia/NS Loyal Committee were engaged to determine if opportunities exist to develop aligned approach to classification. Research was completed. The criteria were finalized and reviewed by NSLC management. The criteria will be communicated to the Department of Finance and Treasury Board before communicating with the supplier community. Implementation plan was developed but subject to shareholder alignment. The estimated completion time is March 31, 2023.

Recommendation 1.5

The Nova Scotia Liquor Corporation should review and evaluate the agreement on beer trade to assess the benefit to Nova Scotia’s manufacturers and establish a policy which ensures fair and balanced implementation that does not favour out-of-province manufacturers over those from Nova Scotia.



Our 2020 audit found the NSLC did not have a policy or process in place to guide the application of a signed agreement with Alcohol New Brunswick Liquor (ANBL) to align the treatment of products produced in New Brunswick’s breweries with those produced at Nova Scotia breweries. There was no assessment of New Brunswick’s compliance with the agreement or evaluation of the overall benefit to Nova Scotia. By not completing this recommendation, the NSLC may not be aware of the impact this agreement is having on Nova Scotia’s breweries.

Nova Scotia Liquor Corporation response from original report (2020): The NSLC agrees with this recommendation and, as part of its current policy review, will evaluate the terms of the beer trade agreement letter between ANBL and the NSLC, including an assessment of whether a specific agreement exclusively between two provincial liquor jurisdictions is appropriate. Implementation of any changes to the agreement letter will be dependent on external parties. Timing: Implementation August 2021.

Nova Scotia Liquor Corporation response as of October 2022: A preliminary review of beer trade issues between Nova Scotia Liquor Corporation (NSLC) and Alcohol New Brunswick Liquor (ANBL) was completed and some preliminary findings noted; however, additional consultation with local industry stakeholders, the Province and neighboring jurisdictions is required to complete the analysis and recommend changes to the existing agreement letter. Further discussions with the other Atlantic jurisdictions are currently being planned. The estimated completion time is August 2023.

Recommendation 1.6

The Nova Scotia Liquor Corporation should implement a quality assurance process to ensure amounts paid by local manufacturers through the retail sales markup allocation are reasonable.



Our 2020 audit found retail sales markup allocation payments were not assessed for reasonableness. This information was self-reported by manufacturers and not verified or otherwise assessed for reasonability by the NSLC. By not completing this recommendation, the NSLC may not be receiving the full revenue owed from local manufacturers.

Nova Scotia Liquor Corporation response from original report (2020): The NSLC agrees with this recommendation and will ensure a program is developed. This would support a quality assurance process and ensuring proper producer categorization for Retail Sales Mark-up Allocation (RSMA) calculation and markup. Timing: Assessment: October 2020; Readiness (communicate with Producers): Winter 2021; Implementation: April 2021.

Nova Scotia Liquor Corporation response as of October 2022: A network-wide Retail Sales Mark-up Allocation (RSMA) review/audit is currently in progress by the internal audit team (aided by external audit resources). The scope of the review includes the reported sales data and RSMA calculations to ensure that producers are calculating the RSMA correctly and in a consistent manner. As an outcome of the review, the current RSMA calculation methodology will be assessed to determine if there are opportunities to simplify and streamline calculations, followed by an engagement process with producers to socialize findings and recommendations. The Audit and Findings will be summarized by October 2022. The engagement process to socialize findings and recommendations with local producers is estimated to be completed by the year end of Fiscal 2023.

Recommendation 1.8

The Nova Scotia Liquor Corporation should conduct a risk analysis and assess the controls in place over the manufacturer's permit process, including segregation of duties and document retention standards.



Our 2020 audit found there was no segregation of duties or documentation standards for manufacturers' permits. One person was reviewing, approving, and issuing manufacturers' permit, with no additional monitoring or review by a second person. By not completing this recommendation, permits may be issued inappropriately.

Nova Scotia Liquor Corporation response from original report (2020): The NSLC agrees with this recommendation and will conduct a complete review and risk analysis of the permit process. Timing: Target completion is August 2020.

Nova Scotia Liquor Corporation response as of October 2022: An internal risk assessment of the permit process was completed with observations documented. The follow up is currently in process. The Nova Scotia Liquor Corporation (NSLC) transitioned responsibility for specific permit functions to the Alcohol Gaming Fuel and Tobacco division within Service Nova Scotia and Internal Services, effective April 1, 2021 which mitigated specific risks. The estimated completion time is March 31, 2023.

Recommendation 1.9

The Nova Scotia Liquor Corporation should review the current process for monitoring training and determine changes needed to ensure all training is completed in a timely manner.



Our 2020 audit found that Responsible Retailing training was not being completed in a timely manner when employees were hired. Twenty of 30 employees tested did not complete the Responsible Retailing training in the required timeframe. The NSLC was also not monitoring training completion for new hires at agency stores, despite it being required as part of the agency store agreement. By not completing this recommendation, training may not be completed in a timely manner.

Nova Scotia Liquor Corporation response from original report (2020): The NSLC agrees with this recommendation. The NSLC has recently created a sustainable training and monitoring approach. Non-compliant employees are being dealt with promptly. Timing: Completed as of May 2020.

Nova Scotia Liquor Corporation response as of October 2022: The training process for NSLC employees has been reviewed and a monitoring program developed and fully implemented. Training process for the Agency stores has been reviewed and recently onboarded to NSLC's new training platform. A pilot approach to the training in the new system is underway, but a process to monitor the program is still being developed within the limitations of the system to ensure it is efficient, reliable and sustainable for both the NSLC and Agency operators. Target completion of monitoring program development March 31, 2023, implementation of full training process and monitoring program targeted to commence April 1, 2023.

Recommendation 1.10

The Nova Scotia Liquor Corporation should review the mystery shop program to assess which retailers should be included and define how results are to be used, including roles and responsibilities for analysis, communication, documentation, and enforcement of retraining.



Our 2020 audit found the results from the age verification compliance program were not adequately addressed and that most of the 141 local manufacturers' retail locations were not included in the program. In addition, when a corporate or agency store failed the age verification portion of the mystery shop program, this information was communicated to the store so staff could complete a required training refresher but the NSLC did not follow up to confirm the required actions were taken. By not completing this recommendation, staff may not be completing training refreshers as required and underage Nova Scotians could be sold alcohol.

Nova Scotia Liquor Corporation response from original report (2020): The NSLC agrees with this recommendation and will review the program in all channels with objectives, process and expected results. This review will also include current agreements relating to agency and private wine and spirit stores (PWSS). Defining an approach with the local industry is dependent on the completion of a consultation process as defined in Recommendation 7. Timing: Agency and PWSS completed January 2021. Local Producers completed April 2021.

Nova Scotia Liquor Corporation response as of October 2022: Enhanced Mystery Shop Program has now been rolled out to the Agency and Private Wine Selection Store (PWSS) channels. Local industry requires additional consultation before final approach can be implemented and additional time is required to investigate proper technology to deploy the training on an ongoing basis. Responsibility for communications surrounding Mystery Shop Program ultimately rests with Responsibility Team supported by channel owners. For local producers, Responsibility Team will be responsible for communications related to required training and mystery shop program. Through the engagement with local producers, the training and compliance will be addressed. The estimated completion time is March 31, 2023.

July 2020: QEII New Generation Project – Halifax Infirmary Expansion and Community Outpatient Centre – Phase II

- 3.4 The Department of Public Works and Nova Scotia Health have not completed the following four recommendations:

Recommendation 1.1

The Department of Transportation and Infrastructure Renewal should ensure that appropriate steps are taken through the implementation and operational periods of the Project, including developing a transition plan to guide the Project through its various stages, a stakeholder engagement plan, and a benefits realization plan.



Our 2020 audit found the Business Case did not include steps to develop a stakeholder engagement plan outlining a communication approach for the project or a transition plan to guide the transition from selection to construction to operation. It also did not include steps for a realization plan detailing the criteria to be used to determine if the project met its objectives or not. Without appropriate future-oriented planning to guide the project through various stages, there is a risk that project success could be compromised and value for money may not be achieved.

Transportation and Infrastructure Renewal response from original report (2020): The Department accepts the recommendation. The Department is committed to maintaining its governance efforts throughout the implementation and operational phases of the project. A formal Project Implementation Plan has been finalized as of June 11, 2020, and designed to ensure that the roles of all parties involved on the project are clearly described and communicated throughout the noted project phases.

Public Works response as of October 2022: Nova Scotia Lands Health Infrastructure (NSLHI) is currently finalizing the contract management manual (CMM) for the Bayers Lake Community Outpatient Centre operating phase. The manual will outline project stakeholder responsibilities that take place between substantial completion and the end of the 30-year operating term. The CMM is currently substantially complete. Final completion is pending select updates to accurately reflect any applicable accountability changes following formal implementation of the revised Crown structure. The associated manual for the Halifax Infirmary Expansion Public Private Partnership (P3) project is scheduled to be completed in Summer 2023.

Recommendation 1.2

The Department of Transportation and Infrastructure Renewal should ensure that remaining mitigation strategies from the Objectivity Analysis are completed for the Halifax Infirmary Expansion and the Community Outpatient Centre. In addition, the Department should complete a thorough assessment to determine the impact of COVID-19 on the Project and on the Business Case used to select the Design, Build, Finance and Maintain (DBFM) model.



Our 2020 audit found the Department has not yet reassessed the risks associated with the project which were significantly impacted by COVID-19. The mitigation strategies recommended by the consultant were also not reassessed to determine if they were still applicable. By not completing this recommendation, the Department may not be aware of the impact of COVID-19 or other risks on the selection of a project delivery model or if the current model being used is still the best option for the project.

Transportation and Infrastructure Renewal response from original report (2020): The Department accepts the recommendation to ensure the remaining mitigation strategies from the Objectivity Analysis are completed for the Halifax Infirmary (HI) Expansion and Bayers Lake Community Outpatient Centre (BL COC) and that the impacts from COVID-19 are assessed. As the project sponsor, Nova Scotia Lands Healthcare Infrastructure Projects Division (NSLI) will seek approval from Executive Council once final costs are known through the Procurement Process. As part of, and to support these recommendations, NSLI will update the Value for Money based on bid submission and subsequent negotiations and ensure consistency between the Project Agreement and the risk transfer model that formed the Value for Money, subject to COVID-19 considerations. NSLI has completed an assessment of COVID-19 and impacts on the Bayers Lake Community Outpatient Centre Project. This has led to agreed-upon processes and procedures with Proponents to address COVID-19 as the direct impacts become known, realized, and able to be quantified.

Public Works response as of October 2022: Nova Scotia Lands Health Infrastructure (NSLHI) will continue to ensure the mitigation strategies from the objectivity analysis are completed for the Halifax Infirmary Expansion and Community Outpatient Centre (COC) projects. NSLHI will complete an updated Value for Money report based on final bid submission and subsequent negotiations. The bid submission will reflect current market conditions including all known COVID-19 impacts. Additionally, the Project Agreement contains processes to address the impact of future pandemic or epidemic events. The Value for Money update analysis for the Bayers Lake COC was completed in advance of Commercial Close, reached August 2020. The subsequent analysis for the Halifax Infirmary Expansion project will be completed prior to Commercial Close which is scheduled for Winter 2022/2023.

Recommendation 1.3

The Department of Transportation and Infrastructure Renewal and the Nova Scotia Health Authority should ensure the master plan as well as any subsequent planning documents, including final design documents, reflect the details determined through the functional programming process. Departments within the hospital should be given the opportunity to review any significant changes from the functional programming and master planning processes with the appropriate oversight committee used to review and approve changes.



Our 2020 audit found the space requirements for two departments in the master plan did not reflect the needs identified in functional programs. The square footage on the master plan for these two departments did not agree with the projected amount determined through the functional plan. By not completing this recommendation, the needs of the departments may not be accurately captured as the Project moves forward and it could result in not enough, or too much, space being built. This could impact the delivery of healthcare services in the future.

Transportation and Infrastructure Renewal and Nova Scotia Health Authority response from original report (2020): The Department accepts the recommendation. The Department will continue to work with the Nova Scotia Health Authority (NSHA) to maintain the responsibility of engaging with end users throughout the design process. Both TIR and NSHA have collaboratively built a process which values user input and enables transparency from the Master Planning stage through to the final Functional Program and building design. The project team will continue to leverage this process to help ensure that the right product is provided upon completion of the P3 contracts.

Public Works response as of October 2022: Department of Public Works (DPW) will continue to work with the Nova Scotia Health (NSH) to maintain the responsibility of engaging with end users throughout the design process. Both DPW and NSH have collaboratively built a process which values

user input and enables transparency from the master planning stage through to the final functional program and building design. The project team will continue to leverage this process to help ensure that the right product is provided upon completion of the Public Private Partnerships contracts. Halifax Infirmary Expansion User Group engagement for baseline design will be complete upon achievement of Issued for Construction (IFC) documents, currently forecasted to be complete by end of Fiscal 23/24.

Nova Scotia Health Authority response as of October 2022: Build Nova Scotia (formerly Nova Scotia Lands Health Infrastructure) will continue to work with Nova Scotia Health (NSH) to maintain the responsibility of engaging with end users throughout the design process. Both Build Nova Scotia and NSH have collaboratively built a process which values user input and enables transparency from the Master Planning stage through to the final Functional Program and building design. The project team will continue to leverage this process to help ensure that the right product is provided upon completion of the Public Private Partnerships (P3) contracts. Estimated Time to Complete: Bayers Lake Community Outpatient Centre: Q3/Q4 2022-2023; Halifax Infirmary Expansion: Q4 2024.

July 2020: Contaminated Sites

3.5 The Department of Public Works has not completed the following two recommendations:

Recommendation 1.2

The Province of Nova Scotia should have a complete inventory of known and potentially contaminated sites the Province is responsible for, including a process to monitor relevant information for decision making.



Our 2020 audit found the Province did not have an adequate management information system in place to monitor contaminated sites. We found that departments did not track all potentially contaminated sites, and historical information was not readily available. By not completing this recommendation, management may not have the appropriate information to make resourcing decisions, and to assess potential risks arising from future activities on the sites.

Province of Nova Scotia response from original report (2020): We agree with the recommendation. There are existing legislated processes that result in government maintaining an inventory of contaminated sites. Departments report on contaminated sites and associated environmental liabilities on an annual basis. Information on sites is updated and incorporated as it becomes available as it may impact the regulatory status and/or the environmental liability associated with the site. Nova Scotia Environment maintains an inventory of contaminated sites that are reported under the regulations, including those sites for which government is responsible in accordance with the Contaminated Sites Regulations. Finance and Treasury Board maintains a list of contaminated sites liabilities from the information received from departments during the year-end audit process. Finance and Treasury Board and Nova Scotia Environment reconcile the information to ensure completeness of the government's environmental liabilities. This work will continue. Government will use the interdepartmental advisory group to report known and potentially contaminated sites to the oversight structure for awareness and inventory reporting.

Public Works response as of October 2022: Government has developed an interdepartmental advisory group (IAG) that reports known and potentially contaminated sites to the Deputy Minister Committee. The Deputy Minister Committee provides an oversight structure for awareness and inventory reporting. The IAG has been developing approaches to achieve more consistent awareness and reporting. The IAG is developing policies and guidelines to complement Treasury Policy Board and Contaminated Sites Regulations. The estimated completion time is 2024.

Recommendation 1.3

The Province of Nova Scotia should implement a risk-based approach to assess and prioritize all known and potentially contaminated sites the Province is responsible for.



Our 2020 audit found the Province did not have a process to prioritize site evaluations and remediation. Sites were dealt with individually and there was no government-wide plan to assess risks and prioritize work for an effective use of resources. By not completing this recommendation, the Province may inefficiently use its financial and human resources and not provide the most benefit to the public in terms of protecting human health and the environment.

Province of Nova Scotia response from original report (2020): We agree with the recommendation. Departments manage contaminated sites for which they are responsible in accordance with the Contaminated Sites Regulations. Properties are managed on a risk-based approach. Departments comply with regulatory requirements and implement practices that minimize impacts to properties for which the Province is responsible. This work will continue. Government will use the interdepartmental advisory group to advise the oversight structure on known and potentially contaminated sites to ensure the effective management within the regulatory framework using a risk-based approach.

Public Works response as of October 2022: Government has developed an interdepartmental advisory group (IAG) to advise an oversight body, the Deputy Minister (DM) Committee, on known and potentially contaminated sites to ensure the effective management within the regulatory framework using a risk-based approach. Departments manage contaminated sites in accordance with Contaminated Site Regulations, which are risk-based. The IAG will consider appropriate mechanisms for continued risk-based management within the regulatory framework, including developing policies and guidelines to complement Treasury Policy Board and Contaminated Sites Regulations. The estimated completion time is 2024.

Organizations with All Recommendations Completed

2020 Audits – All Recommendations Completed	Organization
July 2020: Contaminated Sites	Executive Council Office
	Environment and Climate Change

* See Appendix II for a list of the completed recommendations

Limited Assurance Attestation Engagement Description and Conclusion

In February 2023, we completed an independent limited assurance attestation engagement on the status of certain audit recommendations included in the 2018, 2019, and 2020 Performance Audit Reports of the Auditor General. Our objective was to provide limited assurance, as of October 14, 2022, on those recommendations assessed as “completed” since our last follow-up report, to determine if government’s assessment was free from material misstatement. We did not perform any procedures, and provide no assurance, on recommendations noted in this report as not completed.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Government organizations (departments, agencies, and boards) are responsible for assessing their status of implementing recommendations of the Auditor General. For recommendations they assessed as completed, we substantiated the assessment through interviews and examination of documentation. We evaluated the implementation status using criteria based on whether the supporting information provided by the organization addressed the audit recommendation (see Appendix II), and whether the information was relevant, complete, reliable, neutral, and understandable. Our work was based on qualitative characteristics of information as described in the CPA Canada Handbook.

For a recommendation assessed as “do not intend to implement” or “action no longer required,” we focused on the reasons why government chose not to implement the recommendation or why management believes it is no longer applicable. If the rationale appeared reasonable, we removed the recommendation from our statistics and will not conduct further follow-up work on it. We have removed two recommendations to the IWK Health Centre and Board of Directors from the statistics in this report. The two recommendations relate to internal control design, documentation, implementation, monitoring, and related reporting. Work was completed during the 2021-22 financial statement audit of the IWK Health Centre as these recommendations relate to financial controls. Progress on these recommendations was reported in our Fall 2022 Financial report.

We conducted our work in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3000 – Attestation Engagements Other than Audits or Reviews of Historical Financial Information set out by the Chartered Professional Accountants of Canada; and Sections 18 and 21 of the Auditor General Act. We obtained sufficient and appropriate evidence on which to base our conclusion on March 23, 2023 in Halifax, Nova Scotia.

We apply the Canadian Standard on Quality Management 1, which requires the Office to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

In conducting our work, we complied with the independence and other ethical requirements of the Code of Professional Conduct of Chartered Professional Accountants of Nova Scotia and Nova Scotia’s Code of Conduct for Public Servants.

Conclusion on completed recommendations – Based on the limited assurance procedures performed and evidence obtained, no matters have come to our attention to cause us to believe the status of the recommendations reported as completed have been materially misstated. Additional information provided in this report is not intended to take away from our overall conclusion.

Appendix II

Results by Organization as Confirmed by the Auditor General

	Recommendations				
	Total	Not Completed	Completed	Recommendation Number Completed as confirmed by the AG	
Agriculture					
May 2018 – Chapter 1: Grant Programs	3	0	3	100%	1.2 to 1.4
May 2019 – Chapter 1: Diversity and Inclusion in the Public Service	3	2	1	33%	1.5
Communities, Culture, Tourism and Heritage					
May 2018 – Chapter 1: Grant Programs	4	3	1	25%	1.6
Community Services					
May 2019 – Chapter 1: Diversity and Inclusion in the Public Service	3	1	2	67%	1.5 and 1.8
Environment and Climate Change					
July 28, 2020 – Chapter 1: Contaminated Sites	1	0	1	100%	1.4
Executive Council Office					
July 28, 2020 – Chapter 1: Contaminated Sites	1	0	1	100%	1.1
Finance and Treasury Board					
May 2018 – Chapter 1: Grant Programs	1	1	0	0%	N/A
Health and Wellness					
December 2018 – Chapter 1: Management and Oversight of Health Sector Information Technology	5	0	5	100%	1.1 to 1.4 and 1.6
IWK Health Centre					
December 2018 – Chapter 1: Management and Oversight of Health Sector Information Technology	5	0	5	100%	1.1 to 1.4 and 1.6
December 2018 – Chapter 2: IWK Health Centre: Financial Management Controls and Governance	8	0	8	100%	2.1 and 2.4 to 2.10*
Justice					
May 2018 – Chapter 2: Correctional Facilities	12	1	11	92%	2.1, 2.2 and 2.4 to 2.12
May 2018 – Chapter 3: Maintenance Enforcement Program	6	0	6	100%	3.1 to 3.6
May 2019 – Chapter 1: Diversity and Inclusion in the Public Service	3	1	2	67%	1.5 and 1.8
Natural Resources and Renewables					
May 2018 – Chapter 1: Grant Programs	4	0	4	100%	1.2 to 1.5
Nova Scotia Health					
December 2018 – Chapter 1: Management and Oversight of Health Sector Information Technology	6	0	6	100%	1.1 to 1.6
July 14, 2020 – Chapter 1: QEII New Generation Project – Halifax Infirmary Expansion and Community Outpatient Centre – Phase II	1	1	0	0%	NA
Nova Scotia Liquor Corporation					
June 2020 – Chapter 1: Nova Scotia Liquor Corporation – Phase I	11	7	4	36%	1.1, 1.2, 1.7, 1.11

* Recommendation 2.2 and 2.3 have been removed from statistics in this report. See Appendix I for additional information.

	Recommendations				
	Total	Not Completed	Completed		Recommendation Number Completed as confirmed by the AG
Office of Regulatory Affairs and Service Effectiveness					
December 2019 – Chapter 1: Reducing Regulatory Burden	1	0	1	100%	1.1
Public Service Commission					
May 2019 – Chapter 1: Diversity and Inclusion in the Public Service	7	4	3	43%	1.1, 1.2, and 1.5
Public Works					
May 2019 – Chapter 2: Selection and Quality Management of Bridge Projects in Central and Western Districts	7	6	1	14%	2.7
December 2019 – Chapter 2: QEII New Generation Project – Halifax Infirmary Expansion and Community Outpatient Centre	5	2	3	60%	2.1 and 2.3
July 14, 2020 – Chapter 1: QEII New Generation Project – Halifax Infirmary Expansion and Community Outpatient Centre – Phase II	3	3	0	0%	NA
July 28, 2020 – Chapter 1: Contaminated Sites	3	2	1	33%	1.1
Service Nova Scotia and Internal Services					
December 2018 – Chapter 1: Management and Oversight of Health Sector Information Technology	5	0	5	100%	1.1, 1.2 and 1.4 to 1.6
January 2019 – Information Access and Privacy Information Technology Projects	5	1	4	80%	1.1 to 1.3 and 1.5
Workers' Compensation Board					
December 2018 – Chapter 3: Workers' Compensation Board: Governance and Long-term Sustainability	3	0	3	100%	3.1 to 3.3
May 2019 – Chapter 3: Workers' Compensation Board: Claims Management	12	1	11	92%	3.1 to 3.6 and 3.8 to 3.12

Appendix III (unaudited)

Organizational Progress Update for 2021 Performance Audit Recommendations as of December 31, 2022

This appendix provides all performance audit recommendations from 2021 and a management-prepared summary of the current progress towards addressing the recommendations. We have not conducted any work and provide no assurance on these management responses. They are presented for information purposes only.

The Province of Nova Scotia's Auditor General Performance Audit policy states that the generally accepted time frame for completion of agreed-upon recommendations is two years. Performance audit recommendations issued in 2022 have not been included in this appendix to allow time for auditees to address the recommendations.

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Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2022 (unaudited)
May 2021 – Nova Scotia Liquor Corporation – Phase II		
1.1 The Nova Scotia Liquor Corporation should document policies and procedures for general list and one-time only beverage alcohol product selection, including a document retention policy for information which supports decision making.	Nova Scotia Liquor Corporation: The NSLC agrees with this recommendation. The NSLC will document selection criteria, processes, and decisions with rationale. The NSLC will also define a consistent approval process with appropriate oversight and standardize the retention of documents in a central hub with proper date coding. This will be supported by supplier communication that clearly outlines the decision rationale. Timelines: Document the process with selection criteria – July 2021. Document retention process implemented – March 2022.	Nova Scotia Liquor Corporation: The Nova Scotia Liquor Corporation has documented the selection criteria, processes, and decisions with rationale for general list and one-time-only beverage alcohol product procurement. All supporting documentation of decisions and approvals are retained in a central location and aligned to retention policies for the organization.
1.2 The Nova Scotia Liquor Corporation should develop a management review process to assess if product listing decisions are appropriate and adequately supported.	Nova Scotia Liquor Corporation: The NSLC agrees with this recommendation. The NSLC will develop a review process that tracks, date codes and stores all product listing changes in a central hub. Timeline: March 2022	Nova Scotia Liquor Corporation: The Nova Scotia Liquor Corporation has mapped and documented the management review process. Documentation of decisions and approvals are retained to support decision making.
1.3 The Nova Scotia Liquor Corporation should implement a process to monitor pricing at local manufacturer retail stores.	Nova Scotia Liquor Corporation: The NSLC agrees with this recommendation. The NSLC will be expanding the mandate of the retail audit function to include local producers. As part of the audit program selling prices will be reviewed. Timeline: December 2021.	Nova Scotia Liquor Corporation: The Nova Scotia Liquor Corporation has implemented a process to monitor pricing at local manufacturer retail stores. And the audit program is led by the Audit and Compliance Program Manager. Initial audits were completed by the end of October 2022. Findings and recommendations are currently under review. Sharing of these results and recommendations with Local Producers will be complete by fiscal year end March 31, 2023.

(continued)

Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2022 (unaudited)
1.4 The Nova Scotia Liquor Corporation should develop documented policies and procedures for promotional programs, including documentation of the application, decision making, and approval communication process.	Nova Scotia Liquor Corporation: The NSLC agrees with this recommendation. The NSLC will leverage technology to communicate and archive vendor application status as well as formally document promotion consideration criteria and application results. Timeline: July 2021.	Nova Scotia Liquor Corporation: The Nova Scotia Liquor Corporation has completed the documentation of promotional program processes including the application, decision-making and approval communication process. The promotional guides issued for each fiscal year clearly outline available programs, programming dates, submissions dates and criteria for both paid and non-paid promotional opportunities. Videos have also been created to provide local supplier guidance on these promotional opportunities.
1.5 The Nova Scotia Liquor Corporation should review and update the shelf management process, including roles and responsibilities for allocating products to shelves in alignment with NSLC goals, review processes at head office and the retail stores, and documentation and retention requirements.	Nova Scotia Liquor Corporation: The NSLC agrees with this recommendation and will review, update, and document shelf management principles, responsibilities, and processes to reflect the current dynamic of the business. As well, formal approval processes for planogram concepts will be established and documented. In addition, the NSLC will establish a document retention process for this area and implement a shelf management review process at retail stores performed by regional directors and through internal audit. Timelines: Shelf management process document – July 2021. Document retention and review process – August 2021.	Nova Scotia Liquor Corporation: The Nova Scotia Liquor Corporation (NSLC) has updated and documented current shelf management principles, responsibilities, and processes in alignment with NSLC current goals. Documentation to support decision making and approvals are in line with NSLC retention policies.
1.6 The Nova Scotia Liquor Corporation should implement fraud training for all employees.	Nova Scotia Liquor Corporation: The NSLC agrees with this recommendation and has already developed a fraud training program for all employees, which employees will be required to take every two years. This will be monitored for compliance by managers. Timeline: Implemented as of April 2021.	Nova Scotia Liquor Corporation: A fraud training program for all employees which employees will be required to take every two years has been completed and managers will be monitoring for compliance.
1.7 The Nova Scotia Liquor Corporation should develop a process to ensure job descriptions are in place for all employees, including the Vice President of Customer Strategy, the Category Director, and the Team Leads.	Nova Scotia Liquor Corporation: The NSLC agrees with this recommendation and will have job descriptions formalized for the roles of VP of Insights and Customer Engagement, Category Director and Category management roles (Sr. Category Manager, Category Manager & Associate Category Manager). As well, the NSLC is in the process of reviewing and refreshing the formalization of the job description process for all levels of leadership, and staff. Timelines: Job descriptions for specified positions – May 2021. Job description process formalized – March 2022.	Nova Scotia Liquor Corporation: Job descriptions have been formalized for the roles of Vice President of Insights and Customer Engagement, Category Director and Category Management roles. Nova Scotia Liquor Corporation has also completed the review and formalization of job description process for all levels of leadership and staff.

(continued)

Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2022 (unaudited)
1.8 The Department of Finance and Treasury Board should develop a process for ensuring government priorities, as they pertain to the NSLC, are clearly documented and effectively communicated to the organization on a regular basis.	Department of Finance and Treasury Board: The department is pleased that the NSLC board and management view the relationship with Finance and Treasury Board as positive and will continue to maintain and strengthen the relationship. The Shareholder already provides direction to the NSLC through the development process of its five-year strategic plan and annual business plans. For both plans, there is already a regular process whereby the Minister and Deputy Minister provide mandate feedback and direction on the draft plans, prior to these plans being approved by the Board of Directors. After approval of the annual business plan, there may be in-year issues that require direction by the Shareholder and these are communicated by the Minister directly or through the Deputy Minister to the Chair and/or Board of Directors. As required, the department will document when the Shareholder direction is provided.	Department of Finance and Treasury Board: The department is pleased that the Nova Scotia Liquor Corporation (NSLC) board and management view the relationship with Finance and Treasury Board as positive and will continue to maintain and strengthen the relationship. The Shareholder already provides direction to the NSLC through the development process of its five-year strategic plan and annual business plans. For both plans, there is already a regular process whereby the Minister and Deputy Minister provide mandate feedback and direction on the draft plans, prior to these plans being approved by the Board of Directors. After approval of the annual business plan, there may be in-year issues that require direction by the Shareholder and these are communicated by the Minister directly or through the Deputy Minister to the Chair and/or Board of Directors. As required, the department will document when the Shareholder direction is provided.
1.9 The Board of Directors should ensure that action items are clearly and consistently documented in meeting minutes for the Board and its committees, with updates on their status and final resolution provided at subsequent meetings.	Nova Scotia Liquor Corporation: The NSLC agrees with this recommendation. The NSLC has created a follow up action document to track all actions items coming out of committee and board meetings. Timeline: Implemented as of February 2021.	Nova Scotia Liquor Corporation: The Nova Scotia Liquor Corporation has created a follow-up action document to track all actions items coming out of committee and board meetings.
1.10 The Board of Directors should review processes in place to ensure responsibilities that support the effective operation of the board, such as board evaluations, individual member assessments and education sessions, are completed as required.	Nova Scotia Liquor Corporation: The NSLC agrees with this recommendation. The NSLC's board evaluation process, which includes individual member assessments, has been added to the Governance and Human Resources (GHR) workplan and will be performed on an annual basis. This year's board evaluation was launched in February 2021. The individual member assessments will be documented by Board Chair and GHR Chair and the evaluation results will be discussed in June 2021 at committee and board meetings. The board education planning process will take place on an annual basis. The board education sessions are planned out for fiscal year 2022. Timeline: June 2021.	Nova Scotia Liquor Corporation: Nova Scotia Liquor Corporation's Board has reviewed its processes to ensure responsibilities support the effective operation of the board. On an annual basis, a board evaluation including individual member assessments will be performed as part of the Governance and Human Resources (GHR) committee's workplan. As well, the board education planning process will take place on an annual basis.
1.11 The Board of Directors should ensure that its competency matrix is updated in advance of board vacancies, with identified skills gaps communicated to government for consideration during the appointment process.	Nova Scotia Liquor Corporation: The NSLC agrees with the recommendation. The Governance and Human Resources (GHR) committee added the review of the competency matrix to the workplan. This review will be performed on an annual basis. Upon this year's review, GHR has identified a need to amend the matrix. This item will be discussed and approved at the June 2021 GHR meeting. Once the change is approved, board members will be asked to fill out the matrix and the results will be discussed at the August GHR meeting and shared with Shareholder subsequently. Timeline: August 2021.	Nova Scotia Liquor Corporation: The Board's Governance and Human Resources (GHR) committee has reviewed the competency matrix and required changes were approved at the June 2021 meeting. Approved matrix was filled by the board and results discussed at the August 2021 GRH meeting. Results were shared with the Shareholder.

(continued)

Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2022 (unaudited)
July 2021 – Planning and Implementation of the Pre-Primary Program		
1.1 The Department of Education and Early Childhood Development should have a process in place to monitor risks on an ongoing basis.	<p>Department of Education and Early Childhood Development: Agree. As acknowledged by the Office of the Auditor General, EECD completed a risk assessment for pre-primary which identified program risks as well as strategies to manage these risks.</p> <p>EECD agrees that a risk assessment process is required and will be conducted annually in the Fall/Winter.</p>	<p>Department of Education and Early Childhood Development: In November 2021, each Regional Centre for Education, and the Conseil scolaire acadien provincial received a letter from the Deputy indicating that annually, each school region/board was expected to provide confirmation that they had conducted a risk assessment and that all risks were managed. In December 2021, department staff conducted an interview with each region/board, going over identified risk factors to ensure that all risks were addressed and prevention measures in place. In October 2022, communication went to the regions to advise that interview meetings will be set up this year to ensure risks continue to be managed. Risk Assessments are to occur prior to January 31 annually.</p>
1.2 The Department of Education and Early Childhood Development should establish specific and measurable goals for the Pre-Primary Program and identify and collect the necessary data required to measure against them.	<p>Department of Education and Early Childhood Development: Agree. EECD has program goals for pre-primary such as:</p> <ul style="list-style-type: none"> • establishing a strong foundation for learning to improve children's outcomes, • providing a high quality, play-based learning environment grounded in pedagogically-sound curriculum, and • providing support services to children and families that are necessary to support their transition, to name a few. <p>EECD will consult with experts in the field of early childhood education in early 2022 and establish measures and data collection methods that are appropriate to measuring success and quality in early learning environments. The methods will be developed and introduced by December 31, 2022. Traditional assessment tools such as report cards and standardized tests would not be appropriate for early learning settings. The learning goals in Nova Scotia's Early Learning Curriculum Framework provide a structure for early learning practice, guide educators' reflections and critical thinking, and form the basis for the assessment of children's learning and holistic development.</p>	<p>Department of Education and Early Childhood Development: The Department of Education and Early Childhood Development has engaged a consultant to establish appropriate measures of success and quality in early learning environments. A project plan is in place for this project. The report and recommendations are expected by December 31, 2022.</p>

(continued)

Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2022 (unaudited)
1.3 The Department of Education and Early Childhood Development should regularly evaluate the program to determine whether goals and objectives are being met.	<p>Department of Education and Early Childhood Development: Agree. During the implementation of pre-primary, EECD purposefully focused on a developmental evaluation to inform the implementation and understand barriers to participation and integration in the public-school setting.</p> <p>EECD will conduct an impact/outcomes evaluation of pre-primary which focuses on how the program is meeting its goals and objectives and achieving desired outcomes, based on a revised Theory of Change model and evaluation framework which will include a schedule for on-going evaluation of pre-primary.</p> <p>EECD will complete the evaluation in 2022-23 school year which will provide a baseline measurement for outcomes.</p>	<p>Department of Education and Early Childhood Development: The Department of Education and Early Childhood Development is currently working with a consultant to inform the creation of an evaluation framework for the Pre Primary Program. The report and recommendations are expected by December 31, 2022.</p>
1.4 The Department of Education and Early Childhood Development should ensure all background checks for Pre-Primary Program staff are completed as required by policy before staff begin working in the classroom.	<p>Department of Education and Early Childhood Development: Agree. EECD has directed the Regional Centres for Education/Conseil scolaire acadien provincial to immediately ensure all pre-primary staff have the required checks in place and that these checks are properly documented in personnel files, and to report to the Deputy Minister with confirmation that the work has been undertaken no later than May 15, 2021. All Regional Centres for Education and Conseil scolaire acadien provincial have replied and are in compliance.</p> <p>On an annual basis, Regional Centres for Education/Conseil scolaire acadien provincial will be required to provide the Deputy Minister with an attestation which assures that all policies have been adhered to and that all staff in pre-primary have the required background checks in place and on file.</p>	<p>Department of Education and Early Childhood Development: All Regional Centres for Education and the Conseil scolaire acadien provincial have completed this and are in compliance as of May 25th, 2021. Communication will be sent annually requiring written confirmation that safety checks have been completed for all staff. The Regional Centres for Education and Conseil scolaire acadien provincial will include this confirmation in the annual reports they submit to the Department of Education and Early Childhood Development by December 1st. The Department of Education and Early Childhood Development will follow up to ensure compliance for the December 1st, 2022, annual report.</p>
1.5 The Department of Education and Early Childhood Development should complete and implement their new provincial policy around background checks.	<p>Department of Education and Early Childhood Development: Agree. EECD developed a Student Protection Policy which comes into effect on June 1, 2021 which applies to all Regional Centres for Education and Conseil scolaire acadien provincial staff. The policy includes standards for pre-employment checks, a new provision for annual self-declarations, and a requirement for regular background checks for existing employees.</p>	<p>Department of Education and Early Childhood Development: The Department of Education and Early Childhood Development initially completed this in June 2021. Communication will be sent annually to remind Regional Centres for Education and the Conseil scolaire acadien provincial to confirm background checks for staff as outlined in the Student Protection Policy.</p>
1.6 The Department of Education and Early Childhood Development should ensure Early Childhood Educator's education credentials are verified when they are hired.	<p>Department of Education and Early Childhood Development: Agree. EECD has directed the Regional Centres for Education/Conseil scolaire acadien provincial to immediately ensure confirmation of educational qualifications for pre-primary staff are documented in their personnel file, and to report to the Deputy Minister with confirmation that the work has been undertaken no later than by May 15, 2021. All Regional Centres for Education and Conseil scolaire acadien provincial have replied and are in compliance.</p>	<p>Department of Education and Early Childhood Development: The Department of Education and Early Childhood Development completed an initial review of education credentials for all Early Childhood Educators in May 2021. This information is included in the December 1st annual report. Pre-primary Leads/Managers in each region/board will ensure compliance for this year by December 1st, 2022. The Department of Education and Early Childhood Development will send reminders annually to confirm educational qualifications are included in staff human resource files.</p>

(continued)

Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2022 (unaudited)
1.7 The Department of Education and Early Childhood Development should develop a process to ensure all new Pre-Primary Program staff receive orientation prior to starting in the classroom.	Department of Education and Early Childhood Development: Agree. Regional Centres for Education/Conseil scolaire acadien provincial will be required to provide the Deputy Minister with an annual attestation which assures that all new staff in pre-primary have received an orientation prior to working with children in pre-primary by October 31st of each year starting in 2021.	Department of Education and Early Childhood Development: The Department of Education and Early Childhood Development has developed an orientation process for new Pre-Primary Program staff. All new Pre-Primary Program staff must receive an orientation by October 31st of each year. Child abuse registry checks and vulnerable sector checks must be completed by new staff prior to employment. The Regional Centres for Education and Conseil scolaire acadien provincial must advise the Department that required child abuse registry and vulnerable sector checks have been completed by October 31st annually.
1.8 The Department of Education and Early Childhood Development should clearly define and communicate roles and responsibilities related to the Pre-Primary Program for the Pre-Primary Consultant, Pre-Primary Managers, school principals, and Early Childhood Educators.	Department of Education and Early Childhood Development: Agree. EECD will support Regional Centres for Education/Conseil scolaire acadien provincial HR Directors to collaborate on province-wide definition of roles and responsibilities for all positions in pre-primary by December 31, 2021. The roles and responsibilities will form part of the orientation for all new employees in pre-primary. EECD has completed a process for defining the role and responsibilities of the EECD Pre-primary Consultant position which has been presented and shared with the Pre-primary Consultants and Regional Centres for Education/Conseil scolaire acadien provincial. Supporting documentation has been disseminated.	Department of Education and Early Childhood Development: The Department of Education and Early Childhood Development initially completed this in February 2021. This is now included in required orientation topics and will be communicated annually. Department staff will follow up with the Regional Centres for Education and the Conseil scolaire acadien provincial to ensure orientation is completed prior to employment. Staff onboarded after December 1st, 2022, will also receive the orientation prior to working on site.
1.9 The Department of Education and Early Childhood Development should develop and implement a formal complaint process for the Pre-Primary Program that includes clearly defined and communicated roles and responsibilities.	Department of Education and Early Childhood Development: Agree. Regional Centres for Education and Conseil scolaire acadien provincial have formal parent complaint policies and protocols. EECD will work with the Regional Centres for Education/Conseil scolaire acadien provincial to revise these where necessary to ensure that pre-primary is explicitly included by September 1, 2021.	Department of Education and Early Childhood Development: The Department of Education and Early Childhood Development ensured this was completed in September 2021. This was included in the December 1, 2021, annual report. Pre-primary is now explicitly included in all Regional Centre for Education and Conseil scolaire acadien provincial complaint policies.

(continued)

Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2022 (unaudited)
November 2021 – Internet for Nova Scotia		
<p>1.1 We recommend the Department of Finance and Treasury Board, in consultation with the Executive Council Office, develop guidance relating to the use of trusts including specific direction on conducting:</p> <ul style="list-style-type: none"> - an analysis of alternative options, including value-for-money considerations to taxpayers for each option - an analysis to determine the necessary funding prior to committing provincial funds; and - an assessment of what level of control the government will have over the trust and whether risks have been appropriately mitigated for those that will be at arm's length. 	<p>Department of Finance and Treasury Board: The Department of Finance and Treasury Board, in consultation with Executive Council Office, will develop guidance relating to the use of trust funds</p>	<p>Department of Finance and Treasury Board: According to Section 9(1) of the Finance Act, no trust fund may be created using public money without the approval of the Minister of Finance and Treasury Board. The Department currently follows a process to guide the development of such trusts. This process will be reviewed and updated taking into consideration items raised by the OAG. Expected completion date is Dec 31, 2023.</p>
<p>1.2 We recommend Develop Nova Scotia complete, date and sign all parts of the Contribution and Service Delivery Agreements in a timely manner.</p>	<p>Develop Nova Scotia: Agreed. While the Contribution Agreements and Service Level Agreements were executed at the time of the audit, the outstanding schedules have now also been signed.</p>	<p>Develop Nova Scotia: All parts of the Contribution and Service Delivery Agreements requiring signatures have been signed and completed.</p>
<p>1.3 We recommend Develop Nova Scotia perform regular onsite inspections for all proponents to ensure progress reported by the proponent is accurate.</p>	<p>Develop Nova Scotia: Agreed. Develop NS restarted onsite inspections as of August 2021, after pausing onsite inspections for a period due to COVID.</p>	<p>Develop Nova Scotia: Onsite audits for all completed round one projects have been completed. Actions have been taken, put in place, and will continue until the projects are complete. Currently projects are scheduled to 2024.</p>
<p>1.4 We recommend Develop Nova Scotia track project progress against schedules and document monthly meetings with proponents including sign-off on all progress reports received.</p>	<p>Develop Nova Scotia: Agreed. The overall project schedule is tracked and is currently on time. The timeline to complete individual projects is adjusted as required and reported publicly and internally, with some individual projects behind schedule and some projects ahead of schedule. Project Reports are now being signed off by project engineer and project manager.</p>	<p>Develop Nova Scotia: A complete record of project progress, including tracking against project schedule and milestones, is documented via monthly project reports which include Develop Nova Scotia comments and which are signed and returned to service providers. Actions have been taken, put in place, and will continue until the projects are complete. Currently projects are scheduled to 2024.</p>

(continued)

Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2022 (unaudited)
November 2021 – Value for Money of Early COVID-19 Relief Programs for Individuals and Small Businesses		
<p>1.1 We recommend the Department of Finance and Treasury Board, in consultation with the Executive Council Office, develop guidance on providing grants in emergency situations which considers any lessons learned during COVID-19 and includes specific direction on:</p> <ul style="list-style-type: none"> • the appropriate timing and use of funding, • the return of residuals when using external parties, • the inclusion of mandatory provisions in all contracts with external parties, • the use of goals, objectives, and key performance indicators, and • the required monitoring, oversight, risk assessments and reporting. 	<p>Department of Finance and Treasury Board: The Department of Finance and Treasury Board agrees that the development of guidance, in consultation with the Executive Council Office, regarding the provision of grants (or other supports) in emergency situations is appropriate. Reviewing lessons learned through the COVID-19 response and documenting key elements of emergency response activities will help inform the advice provided to government decision makers regarding any future emergency event requiring significant financial commitments.</p>	<p>Department of Finance and Treasury Board: The Department is currently in the process of developing a framework to provide guidance to other departments and public sector entities on best practices for grant program design, administration, and monitoring of compliance. This framework will incorporate lessons learned from the COVID-19 response to date regarding the provision of grants (and other supports) in emergency situations. Guidance around timing, use of funds, and standard agreement clauses will be provided as well as areas such as interest earned on contributed funds, confidentiality clauses, conflict of interest clauses, and early termination options. Expected completion date is March 31, 2023.</p>
<p>1.2 We recommend the Department of Education and Early Childhood Development perform audits to ensure the emergency childcare grants accurately went to entitled recipients. The Department should take appropriate corrective action if errors are found.</p>	<p>Department of Education and Early Childhood Development: EECD agrees with this recommendation. The department was pleased to respond quickly to the needs of childcare operators during a once-in-a-generation pandemic, ensuring continued availability of child care for families. We also appreciate the role we have in monitoring and fiscal accountability for government funding. As part of the existing financial monitoring audit process, EECD will be including a specific audit review of emergency provincial funding received by operators.</p> <p>Centres may be identified for this audit randomly or as the result of an identified concern, beginning in November 2021. Funding adjustments will be made when necessary.</p> <p>We know how important the availability of child care is to families and to the economy, and we were pleased to successfully meet the goal of keeping regulated child care centres viable and ready to be operational for families to return to care once the mandated closures were lifted.</p>	<p>Department of Education and Early Childhood Development: An external audit firm will be retained to perform an audit of the COVID emergency childcare grant. The Department of Education and Early Childhood Development plans to retain an audit firm by March 31, 2023.</p>

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