



REPORT ON PERFORMANCE

2025-26

OFFICE OF THE AUDITOR GENERAL

INTRODUCTION

The Office of the Auditor General serves the House of Assembly by conducting and reporting audits to provide members of the Legislature with information they can use to hold the government accountable for its management of public funds, programs, and services. The Auditor General is an officer of the House of Assembly. To help fulfill this accountability, the Office prepares an annual business plan, performance report, and financial statements which are independently audited.

This performance report illustrates the Office's results in meeting its goals for the 2025-26 fiscal year. It presents our progress in completing various strategic projects and outlines several performance indicators that help assess the productivity, quality, and value of our work. It also summarizes our audited financial statements and comments on financial performance in comparison to our 2025-26 budget.





STRATEGIC INITIATIVES

In 2025-26, the Office focused on the following initiatives and was able to complete six of the seven by March 31, 2026. Our initiative on selecting and implementing optimal technology tools remains ongoing.

Strategic Initiatives: 2025-26	Completed	In Progress
<ul style="list-style-type: none">• Host a team brainstorming session to create a three-year performance audit plan.	X	
<ul style="list-style-type: none">• Conduct an office-wide engagement survey with an external specialist to foster a culture of continuous improvement, facilitate collaborative and data-driven decision making, and promote the well-being and overall success of both employees and the Office.	X	
<ul style="list-style-type: none">• Select new optimal technology tools for audit and non-audit functions to improve operational effectiveness and develop an implementation strategy.		X*
<ul style="list-style-type: none">• Collaborate with the Canadian Audit and Accountability Foundation to deliver a training session to the Public Accounts Committee to enhance the committee's effectiveness.	X	
<ul style="list-style-type: none">• Connect with more Nova Scotians by creating a new French news release section on our website.	X	
<ul style="list-style-type: none">• Gauge the impact of our work through our biennial MLA survey.	X	
<ul style="list-style-type: none">• Establish a joint working committee with the Public Accounts Committee Clerk to initiate planning to host the 2026 CCOLA and CCPAC Conference.	X	

*This initiative is a long-term project which includes a comprehensive review of the Office's audit, human resources, and file storage software. A project team has been formed and progress has been made in assessing potential alternatives. Work will continue in future years on this initiative.

PERFORMANCE INDICATORS

 Performance Indicator	 Description	 Office Target	2025-26 Result 
1. Performance Audits	Number of planned performance audits reported	Six	Four*
2. Performance audit recommendations	Percentage of performance audit recommendations accepted	95% or higher	93%
3. Financial audits	Percentage of financial audits completed by applicable target dates	100%	100%
4. Strategic Initiatives	Percentage of 2024-25 strategic initiatives completed	80% or higher	86%
5. MLA Satisfaction	Percentage MLAs satisfied with our work	80% or higher	81%
6. Employee Engagement	Employee Engagement index	80 or higher	74

*Tabling of performance audit reports in 2026-26 was impacted by unexpected staff vacancies, along with changes in the nature and scope of planned audits resulting in them taking longer than anticipated to report.

SUMMARY FINANCIAL STATEMENTS

Report of the Independent Auditor on the Summary Financial Statements

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Speaker of the Nova Scotia House of Assembly and the Members of the Public Accounts Committee

Opinion

The summary financial statements, which comprise the summary statement of financial position as at March 31, 2026, and the summary statement of operations for the year then ended, and related notes, are derived from the audited financial statements of the Office of the Auditor General (the Office) for the year ended March 31, 2026.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, in accordance with the basis described in Note 1.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Canadian Public Sector Accounting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the Office's audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated June 29, 2026.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with the basis described in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, Engagements to Report on Summary Financial Statements.

BDO Canada LLP

Chartered Professional Accountants

Halifax, Nova Scotia

June 29, 2026

SUMMARY STATEMENT OF FINANCIAL POSITION

As at March 31, 2026

	2026	2025
Financial Assets		
Petty cash	\$ 250	\$ 250
Accounts receivable	156,350	192,378
Due from government	197,247	108,419
	<u>353,847</u>	<u>301,047</u>
Liabilities		
Accounts payable	0	14,461
Accrued liabilities	51,889	73,151
Accrued salaries, benefits and vacation	484,043	435,358
	<u>535,932</u>	<u>522,970</u>
Net debt	<u>(182,085)</u>	<u>(221,923)</u>
Non-financial Assets		
Prepaid expenses	50,293	66,634
Tangible capital assets	131,792	155,289
	<u>182,085</u>	<u>221,923</u>
Accumulated Surplus	<u>\$ nil</u>	<u>\$ nil</u>



SUMMARY STATEMENT OF OPERATIONS

Year ended March 31, 2026

	2026 Budget	2026 Actual	2025 Actual
Revenues			
Government contributions	\$6,766,000	\$6,204,843	\$5,900,032
Professional Fees	395,000	384,505	391,744
	<u>7,161,000</u>	<u>6,589,348</u>	<u>6,291,776</u>
Expenses			
Salaries and benefits	5,938,000	5,466,221	5,169,596
Professional services	494,000	470,787	506,691
Office lease	250,000	239,598	239,598
Staff training	125,000	97,357	99,502
Other services	98,000	67,278	51,000
Membership dues	90,000	60,189	62,408
Office supplies	83,000	55,499	45,004
Travel	59,000	71,115	53,485
Telecommunications	20,000	13,558	13,917
Parking	4,000	4,200	4,100
Amortization	nil	70,307	54,714
	<u>7,161,000</u>	<u>6,616,109</u>	<u>\$6,300,015</u>
		(26,761)	(8,239)
Transfer from General Revenue Fund		<u>26,761</u>	<u>8,239</u>
Annual Surplus (Deficit)		<u>nil</u>	<u>nil</u>
Accumulated Surplus (Deficit), beginning of year		<u>nil</u>	<u>nil</u>
Accumulated Surplus (Deficit), end of year		<u>\$ nil</u>	<u>\$ nil</u>

Note 1 – Summary financial statements

The summary financial statements are derived from the complete audited financial statements, prepared in accordance with Canadian public sector accounting standards, as at March 31, 2026 and for the year then ended.

The preparation of these summary financial statements requires management to determine the information that needs to be reflected so that they are consistent in all material respects with, or represent a fair summary of, the audited financial statements.

Management prepared these summary financial statements using the following criteria:

- (a) The summary financial statements include the summary statement of financial position and summary statement of operations.
- (b) Management determined that the statements of changes in net debt and cash flow do not provide additional useful information and as such, have not included them as part of the summary financial statements.
- (c) Information in the summary financial statements agrees with the related information in the complete audited financial statements including comparative information and all major subtotals and totals.
- (d) In all material respects, the summary financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete audited financial statements, including significant accounting policies and the notes thereto.

The complete audited financial statements of the Office of the Auditor General of Nova Scotia are available on our website or upon request by contacting the Office of the Auditor General of Nova Scotia.

Note 2 – Commitments

The Government of Nova Scotia has entered into a lease agreement on the Office's behalf for office space. The agreement expires in April 2027. Commitments for lease payments and associated operating costs for the remaining fiscal years are estimated to be:

2026-27	\$250,000
2027-28	\$ 21,000

FINANCIAL STEWARDSHIP AND ACCOUNTABILITY TO THE PUBLIC

The Office strives to be a leader in accountability and stewardship over the resources entrusted to us to fulfill our role to the House of Assembly and Nova Scotians. Examples of how we demonstrate accountability and stewardship include making public our annual business plans and performance reports, audited financial statements, audit reports and plans, and disclosure of our executive team's travel and hospitality expenses. The Office has underspent its approved budget in each of the last 18 years.

	2026 Budget	2026 Actual	(Under)/Over Budget
Revenues			
Government contributions	\$6,766,000	\$6,204,843	\$(561,157)
Professional fees	395,000	384,505	(10,495)
	<u>7,161,000</u>	<u>6,589,348</u>	<u>(571,652)</u>
Expenses			
Salaries and benefits	5,938,000	5,466,221	(471,779)
Professional services	494,000	470,787	(23,213)
Office lease	250,000	239,598	(10,402)
Staff training	125,000	97,357	(27,643)
Other services	98,000	67,278	(30,722)
Membership dues	90,000	60,189	(29,811)
Office supplies	83,000	55,499	(27,501)
Travel	59,000	71,115	12,115
Telecommunications	20,000	13,558	(6,442)
Parking	4,000	4,200	200
Amortization	nil	70,307	70,307
	<u>7,161,000</u>	<u>6,616,109</u>	<u>(544,891)</u>
Transfer from General Revenue Fund		26,761	
Annual Surplus (Deficit)		nil	

FINANCIAL PERFORMANCE VARIANCES



Actual government contributions are determined by the level of actual expenditures incurred by the Office. 2025-26 government contributions were \$561,157 less than budget, primarily due to the following variances in expenses.

- Salaries and benefits were \$471,779 less than budget primarily due to unexpected vacancies offset by a retroactive economic increase, as well as reclassifications which were not budgeted.
- Other services were \$30,722 less than budget primarily due the Office not going ahead with an originally planned software purchase.
- The Office does not budget for amortization, as the assets it capitalizes for its audited financial statements are below the threshold for capitalization in the Province's financial statements.

OTHER ACCOMPLISHMENTS, ACHIEVEMENTS AND NOTABLE EVENTS

Auditor General Kim Adair marks the half-way point of her 10-year mandate as Nova Scotia's Auditor General in May 2026. The event provides a great backdrop to assess the achievements of the Office since she was appointed on May 3, 2021.

Since arriving, the Auditor General has issued 231 recommendations in 36 reports. The most important outcome of our reports are the recommendations to improve government programs and service. We select audit topics that we feel are important to Nova Scotians and will result in improvements -- and in most cases, Government has responded quickly to implement the recommendations made in our reports.

We continue to support and advise the Legislature's Public Accounts Committee by briefing the all-party committee on our audit reports, including the 2025 Financial Report which included two recommendations to improve public disclosure and clarify requirements under the Finance Act for over-budget spending.

Accountability in the healthcare system has been a large focus over the last five years. Starting in 2022, the Office received additional funding to expand our Performance Audit Team to conduct health-related audits. Annual healthcare spending is reaching \$7.7 billion (almost half of the Province's annual spend), and the Health Audit Team conducts work that provides timely and effective recommendations on Nova Scotia's changing and expanding health system.

The work we've done in this new area over the past year includes audits of:

- Action for Health Key Performance Indicators
- Alternative Procurement and Management of Selected Health Contracts; and
- Planning and Acquiring Nursing Home Beds

Outside of the Office, the Auditor General presented to a large group at Saint Mary's University as well as to the Maritime Chapter of the Institute of Internal Auditors.

In addition to their core responsibilities, many of our staff serve as executive and members on committees tied to the Canadian Council of Legislative Auditors, which includes the 10 provincial Auditors General and the federal Auditor General. In the past year, Nova Scotia was also well represented in the organization's national conferences and symposiums, with a half a dozen presenters from our Office taking the lead. In the Fall, the Office hosted several days of meetings for Eastern Canadian Auditors General, including the AGs of Newfoundland & Labrador, Prince Edward Island and New Brunswick.

Our staff also put the final pieces in place on our Strategic Plan, launched in 2021-22 to identify priorities through 2027. Together, staff are nearing 100% completion on key objectives tied to each of the following five priority areas:

- Serve the House of Assembly
- Consider the Public Interest
- Improve Government Performance
- Enhance Government Financial Reporting
- Foster Workplace Excellence

Our office also continues to foster an inclusive work environment and promote acceptance and respect for individual and community differences. In the past year, we shared a session on Enhancing Personal Effectiveness and Mental Wellness at Work. We also endeavor to help others through our volunteer work: Our entire office works together every year to fundraise for the United Way campaign and in the last five years have raised more than \$38,000. We also have staff who regularly take part in team-building events that often raise money for charities, including a swimathon in support of the United Way and the Bluenose Marathon Relay.



Additional Information

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