



Chapter 2: Results of Public Accounts Audit and Review of Revenue Estimates

Why we did this work:

- The Auditor General is responsible for:
 - reporting on the reasonability of the province's revenue estimates
 - providing an audit opinion on the province's annual consolidated financial statements
- Nova Scotians count on our independent opinion
- To enhance accountability of financial reports
- Elected officials use financial information in allocating scarce resources

Overall comments:

- 2015-16 revenue estimates of \$9.9 billion used to present the budget were reasonably calculated
- The 2015 consolidated financial statements fairly show Nova Scotia's financial situation including its \$9.3 billion in accumulated deficits
- We made 12 recommendations

What we found:

- Not all assumptions used to estimate tax are reviewed
- Petroleum royalty estimate assumptions are not reviewed regularly
- Liability for environmental issues of SYSCO may be too high as it is based on old information
- Errors in support for obligations under contract caused audit inefficiencies
- Exceptions noted in SAP Service Management audit report to be addressed
- No written procedures to identify contaminated sites across the province
- Process to evaluate changes to the tax revenue estimation process is inadequate
- Government working on strengthening its internal control over financial reporting
- Government hospitality policy needs updating
- Government not publicly disclosing travel and hospitality expenses for senior bureaucrats