



Chapter 3: Results of Audits in the Government Reporting Entity

Why we did this work:

- To summarize matters reported to management and boards
- There are about 100 entities outside of core government
- These 100 entities account for about 40% of government's annual expenses
- Health authorities, IWK Health Centre, school boards, Housing Nova Scotia, Nova Scotia Community College, and Nova Scotia Liquor Commission are significant entities

Overall comments:

- Nova Scotians can be confident that the majority of entity financial statements were fairly stated
- Qualified opinions were rare and not concerning given nature of entities
- Too many government entities are not promptly addressing weaknesses
- The Department of Finance and Treasury Board should hold government entities accountable to correct weaknesses in a timely manner
- We made one recommendation

What we found:

- Qualified audit opinions were few, consistent with prior years, and in line with expectations
- Seventeen control weaknesses were new
- Thirty-six control weaknesses were repeated from prior years with 40% of these dating back to 2009-10
- Three DHAs (Cape Breton, Colchester, and Pictou) and Housing Nova Scotia have many deficiencies outstanding for years
- Provincial IT issues impact other organizations using same systems
- Controls over \$41 million in school-based funds continue to be deficient
- Two DHA's expense budgets are inaccurate as province will not allow DHAs to budget for deficits
- Gambling Awareness Foundation of Nova Scotia received \$1.2 million from gaming profits to be used to fund gaming-related research but granted \$0.2 million