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# Office of the Auditor General

## Nova Scotia

### AUDITOR GENERAL--October 2016 Financial Report Released

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A clean audit opinion by the auditor general on the Government of Nova Scotia's March 31, 2016 financial statements shows the province had better financial results in 2016. Nova Scotians should look to five-year trends to understand the financial position of the province.

The October 2016 Financial Report focuses on the results of audit work performed in the auditor general's financial reporting portfolio. It has two chapters, one on results of financial audit work and the other on Nova Scotia's financial condition.

Auditor General Michael Pickup said, "This is the sixteenth year that the government has received a clean audit opinion which means that Nova Scotians can feel comfortable about the quality of numbers and information in the government's financial statements."

Two new organizations were created by the government this year, the Nova Scotia Health Authority and Tourism Nova Scotia.

Tourism Nova Scotia did not comply with the Finance Act of Nova Scotia in meeting the June 30th financial statement reporting deadline in its first year of operations.

However, the Health Authority, a \$2 billion operation, received a clean audit opinion on its first year and met its financial reporting deadline. The auditor general did note a number of areas for improvement including restricted funds being borrowed for operations, even though the Department of Health and Wellness owed the authority more than \$70 million. The authority also needs to review its overall internal control environment, and determine the best way to address deficiencies like journal entry postings and changes to human resource information.

Overall the Auditor General's Office noted that improvements were made to the management and disclosure of travel and hospitality expenses such as the implementation of a hospitality policy and the requirement of departments to disclose travel and hospitality expenses. However, there is still a lack of disclosure of these expenses at agencies, boards and commissions. There is also a lack of monitoring of the hospitality policy by the Department of Internal Services.

The financial statements show that more than half of government expenses come from the departments of Health and Wellness and Education and Early Childhood Development where spending has increased by more than 20 per cent since 2012.

Volume one of the public accounts also shows that the departments of Internal Services and Transportation and Infrastructure Renewal went over their original budget and requested additional funds of more than \$49 million to cover items such as the remediation of Boat Harbour and payments for the Nova Scotia to Portland ferry service.

"While this year's provincial deficit is the lowest since 2011, the amount of long-term debt for each person and taxes collected from Nova Scotians have both increased by about \$900 per person over the past five years," said Mr. Pickup. At March 31, 2016, Government of Nova Scotia's long-term debt stood at \$14,300 for each Nova Scotian.



The full report is available online at [www.oag-ns.ca](http://www.oag-ns.ca).

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FOR BROADCAST USE:

A report issued today (October 12th) by Auditor General Michael Pickup says a clean audit opinion on the Government of Nova Scotia's financial statements shows the province had its lowest deficit since 2011, although five-year trends have not significantly changed. Currently, the Government of Nova Scotia has \$14,300 in long-term debt for each Nova Scotian.

Mr. Pickup says this is the sixteenth year that the government has received a clean audit opinion and Nova Scotians can feel comfortable about the quality of numbers and information in the government's financial statements.

There were differing results for two new organizations created by the government this year. The Nova Scotia Health Authority in its first year of operations met financial reporting deadlines but Tourism Nova Scotia did not.

The full report is available on the auditor general's website.

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