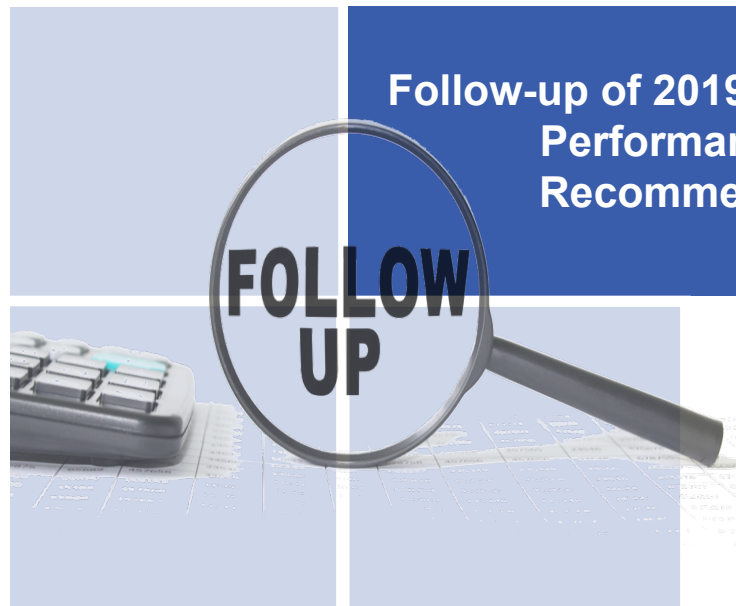


2024
**Report of the Auditor General
to the Nova Scotia
House of Assembly**

**Follow-up of 2019, 2020, and 2021
Performance Audit
Recommendations**



Performance Audit
Independence • Integrity • Impact

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May 7, 2024

Danielle Barkhouse, Lisa Lachance and Nolan Young
Deputy Speakers
House of Assembly
Province of Nova Scotia

Dear Deputy Speakers:

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

5161 George Street
Royal Centre, Suite 400
Halifax, NS B3J 1M7
Telephone: (902) 424-5907
www.oag-ns.ca

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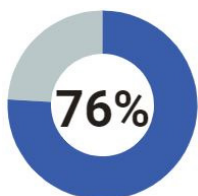
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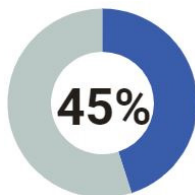
Follow-up of 2019, 2020, and 2021 Performance Audit Recommendations

Overview



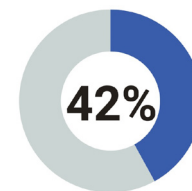
2019

- After four years, government has completed 35 of 46 recommendations



2020

- After three years, government has completed 9 of 20 recommendations



2021

- After two years, government has completed 11 of 26 recommendations

Overall, government has completed 60% (55 of 92) of the recommendations from our reports from 2019, 2020, and 2021.

Important Recommendations Still Incomplete

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

5 of 9 recommendations not completed

Build Nova Scotia has not completed remaining mitigation strategies from the objectivity analysis.

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

2020 and 2021 Audits of Nova Scotia Liquor Corporation – Phase I and II

11 of 22 recommendations not completed

The Nova Scotia Liquor Corporation has not reviewed and evaluated the agreement on beer trade to assess the benefit to Nova Scotian manufacturers.

The Nova Scotia Liquor Corporation has not developed a management review process to assess product listing decisions.

2021 Audit of Planning and Implementation of the Pre-Primary Program

6 of 9 recommendations not completed

Education and Early Childhood Development has not implemented a formal complaint process for the Pre-Primary Program.

Education and Early Childhood Development has not made sure background checks are completed before Pre-Primary staff begin working in the classroom.

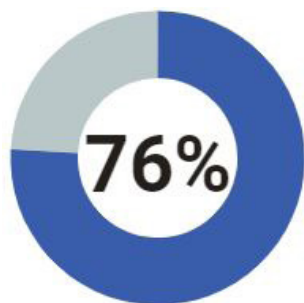
Why We Follow Up

- Risks remain when government does not complete the recommendations it 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 2019, 2020 and 2021 can be found in Appendix II.
- Early progress updates from organizations with recommendations issued in 2022 can be found in Appendix III. These updates are for information purposes and have not been audited.



Chapter 1

2019 Performance Audit Recommendations












2019 Overall Results

Government completed 76% (35 of 46) after four 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	3	13	81%	
Selection and Quality Management of Bridge Projects in Central and Western Districts	7	6	1	14%	
Workers' Compensation Board: Claims Management	12	0	12	100%	
December 2019					
Reducing Regulatory Burden	1	0	1	100%	
QEII New Generation Project – Halifax Infirmary Expansion and Community Outpatient Centre	5	1	4	80%	
Total	46	11	35	76%	

Recommendations Outstanding by Organization

2019 Audits – Outstanding Recommendations	Organization	# Not Completed
January 2019: Information Access and Privacy Information Technology Projects	Cyber Security and Digital Solutions	1
May 2019: Diversity and Inclusion in the Public Service	Agriculture	2
	Justice	1
May 2019: Selection and Quality Management of Bridge Projects in Central and Western Districts	Public Works	6
December 2019: QEII New Generation Project – Halifax Infirmary Expansion and Community Outpatient Centre	Build Nova Scotia	1

Questions Nova Scotians May Want to Ask Regarding 2019 Audits

Information Access and Privacy Information Technology Projects

1. How will Cyber Security and Digital Solutions confirm vendors are complying with contract terms at all stages of the contract?

Diversity and Inclusion in the Public Service

2. How will Agriculture 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?

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

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

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

5. How will Build Nova Scotia guarantee contracts signed with private sector parties are consistent with procurement documentation and protect the public interest?

1 2019 Performance Audit Recommendations

Audits with Recommendations Not Completed

- 1.1 Eleven recommendations from our 2019 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.

January 2019: Information Access and Privacy Information Technology Projects

- 1.3 The purpose of this performance audit was to assess the implementation of the Province's system supporting Freedom of Information requests. We examined whether an adequate process was followed to select and implement the system, and whether the system had sufficient controls.
- 1.4 The Department of Cyber Security and Digital Solutions 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.

Cyber Security and Digital Solutions response as of October 2023: The Department of Cyber Security and Digital Solutions has developed processes and implemented tools to manage contracts within the scope of the SAP Service Management and IT Asset Management portfolios to provide vendor and contract management services for agreements within their scope. Process improvement work is ongoing, and work will continue to improve these processes and incorporate the suggestions provided by the Office of the Auditor General.

May 2019: Diversity and Inclusion in the Public Service

- 1.5 The purpose of this performance audit was to determine whether the Raising the Bar strategy was implemented, and diversity and inclusion was promoted across the government and within selected departments.
- 1.6 The Departments of Agriculture and Justice have not completed the following three recommendations:



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.

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 2023: The Department of Agriculture has completed a Global Diversity, Equity, and Inclusion Benchmark Assessment and has established a plan with the Public Service Commission (PSC) to begin the Employment System Review (ESR) process in October 2023 to assess our hiring practices. The Department will use the PSC departmental resources, as well as support from an assigned coordinator. By the end of March 2024, the Department will use these findings, along with employee feedback, to develop clear strategic goals for supporting and increasing equity and diversity, by identifying and removing barriers.

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 2023: Following the development of the Employment System Review (ESR) template by the Public Service Commission (PSC), the Department of Justice is in the process of conducting its own departmental ESR. Staff engagement is set to begin in October 2023 and conclude in February 2024 for submissions to the PSC. The final report and recommendation to the PSC is set for March 2024.

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 may 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 may 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 2023: The Department of Agriculture has been engaging with all staff to ensure timely sharing of information on the progress of our diversity initiatives within the department. This also includes gathering and sharing of diversity focused initiatives occurring within our divisions that support our staff and clients. The Department of Agriculture also ensures all government wide diversity initiatives, priorities and updates are available to all staff. The Director of Engagement, Equity and Belonging will be working with the Departmental Diversity Team to develop a Diversity plan with specific Departmental goals and targets before March 2024.

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

- 1.7 The purpose of this performance audit was to determine whether the department had adequate processes to effectively and efficiently manage the selection and quality of bridge projects. We also examined whether the department appropriately monitored whether bridge projects met established standards.
- 1.8 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 an update 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 2023: The Department of Public Works has hired a Structures Asset Management Engineer; collected, analyzed and validated bridge data; reviewed all bridges for ownership, inspection and maintenance responsibilities; procured and started development of a new Structures Asset Management System (SAMS). The new software will ensure information about bridges is complete, accurate, and accessible. The estimated completion time to implement SAMS is May 2024.

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 2023: 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 Structures Asset Management System, 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 May 2024.

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 2023: 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 Structures Asset Management System (SAMS). In the interim, staff are getting regular data extracts from the existing system to track progress of inspections. The bridge inspection procedure has been updated, is under review and will be finalized. The estimated completion time to implement processes in SAMS is January 2024.

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 2023: A Structures Asset Management Engineer 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. The new Structures Asset Management System (SAMS) 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 SAMS is May 2024.

Recommendation 2.5

The Department of Transportation and Infrastructure Renewal should annually review the Project Engineer's 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 Engineer's 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 2023: 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 latest edition of the manual is June 2023. The Project Engineers' (PE) 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 Specifications Manual. The committee is actively reviewing and updating the PE Manual, with some chapters requiring a peer review. The estimated completion is November 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): 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 2023: The Department of Public Works (DPW) has implemented a procedure to monitor bridge-related warranties in alignment with the original Department response to recommendation 2.6, but that procedure needs improvement. As part of regular monitoring and in support of the October 2023 follow up completed by the OAG, DPW will undertake a review of the procedure to determine what improvements need to be made to clarify roles and responsibilities of staff follow up with contractors. Once revisions are complete, DPW will provide staff training on the procedure, Project Engineer Manual and contract language to ensure understanding of the requirements.

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

1.9 The objectives of this performance audit were to determine if the department had established a project governance structure that would contribute to the successful completion of the Halifax Infirmity Expansion and the Community Outpatient Centre portions of the QEII New Generation Project, and to determine if a thorough process to select qualified professional service providers to advise on the project was followed.

1.10 Build Nova Scotia has not completed the following recommendation:

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 manner 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.

Build Nova Scotia response as of October 2023: Build Nova Scotia remains committed to ensuring there is clear, documented evidence of an agreement between all parties to the fundamental terms and conditions of its contracts. The procurement of the Halifax Infirmity Expansion project is currently scheduled to achieve commercial close (contract signing) in Spring 2024. The project team is working through the development of a comprehensive project portfolio for the Halifax Infirmity site (HI block) which will provide the ability to forecast post P3 construction contract projects timing. The team is continuing to work through the enabling projects phase of the portfolio which is required to be complete by the execution of the Halifax Infirmity Expansion project contract. The subject recommendation will remain open until such point that the Halifax Infirmity Expansion Project achieves commercial close.

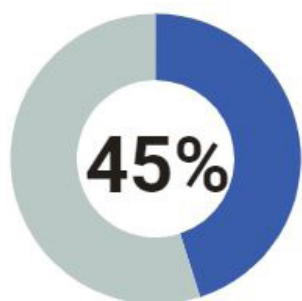
Organizations with All Recommendations Completed

2019 Audits – All Recommendations Completed	Organization
May 2019: Diversity and Inclusion in the Public Service	Community Services
	Public Service Commission
May 2019: Workers' Compensation Board: Claims Management	Workers' Compensation Board
December 2019: Reducing Regulatory Burden	Office of Regulatory Affairs and Service Effectiveness

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

Chapter 2

2020 Performance Audit Recommendations



2020 Overall Results

Government completed 45% (9 of 20) after three 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	5	6	55%	!
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	11	9	45%	

Recommendations Outstanding by Organization

2020 Audits – Outstanding Recommendations	Organization	# Not Completed
June 2020: Nova Scotia Liquor Corporation – Phase I	Nova Scotia Liquor Corporation	5
July 2020: QEII New Generation Project – Halifax Infirmary Expansion and Community Outpatient Centre – Phase II	Nova Scotia Health	1
	Build Nova Scotia	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 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?

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

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

Contaminated Sites

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

2 2020 Performance Audit Recommendations

Audits with Recommendations Not Completed

- 2.1 Eleven recommendations from our 2020 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.

June 2020: Nova Scotia Liquor Corporation – Phase I

- 2.3 The objectives of this performance audit were to determine whether the Nova Scotia Liquor Corporation (NSLC) was supporting the local beverage alcohol industry, promoting the social objectives regarding responsible drinking, and conducting retail store capital planning and procurement in a fair and consistent manner.
- 2.4 The Nova Scotia Liquor Corporation has not completed the following five 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 2023: A new Manufacturers and Permit policy was issued documenting current reduced markups for each category. The province completed an evaluation of alternatives to address World Trade Organization agreement with Australia related to the Emerging Wine Region Policy (EWRP). As a result, the preferred markup under EWRP will be completely phased out by June 2024. First phase commenced June 30, 2023. The Nova Scotia Liquor Corporation will evaluate current markup structures of other categories. An Atlantic jurisdictional scan

of industry support has been completed and also preliminary discussions and engagement with local industry surrounding current markup structures, policies and related topics. Estimated completion time is March 31, 2024.

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 the eligibility qualifications for Proudly Nova Scotian items, and consumers may not understand 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 2023: Research including jurisdictional scans, engaging other provincial retailers and conducting market research to gauge customer perceptions on local was completed to inform frameworks for marketing Proudly Nova Scotian products. Research was shared with local suppliers and groups, including customer focus groups, to solicit information and perspective on the frameworks. Department of Agriculture, Perennia, Nova Scotia Loyal Committee (Economic Development) were engaged to determine if opportunities exist to develop aligned approach to classification. Resulting from this work, criteria was finalized, reviewed by the management of Nova Scotia Liquor Corporation. The overview was presented to the Department of Finance and Treasury Board and implementation plan has been developed. The estimated completion time is March 31, 2024.

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 ensure equal treatment of products produced in New Brunswick and 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 2023: A preliminary review of beer trade issues between Nova Scotia and New Brunswick was completed and the preliminary findings noted.

However, additional consultation with local industry stakeholders, the Province, and neighbouring jurisdictions is required to complete the analysis and recommend changes to the existing agreement letter. Estimated completion is dependent on alignment with external stakeholders to engage in additional dialogue and analysis, and agree on any changes. The estimated completion time is March 31, 2024.

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 ensure 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 2023: A Local Producer Audit & Compliance Program Manager was hired and part of their mandate is to review Retail Sales Markup Allocation (RSMA) remittances. The Internal Audit team, aided by external resources, completed a network-wide RSMA review and audit. The scope of review included the reported sales data and RSMA calculations to ensure producers are calculating RSMA correctly and consistently. Findings and recommendations were completed and summarized. A new RSMA reporting form was implemented April 2023, streamlining processes and allowing for better auditability. Additional compliance procedures to verify producer remittances are currently under development. The estimated completion time is March 31, 2024.

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' permits, with no additional monitoring or a 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 2023: An internal risk assessment of the permit process was completed with observations documented. As part of the review, a risk related to lack of segregation of duties between the review and approval of issuance of permits was noted, NSLC will formalize the approval process to include an auditable approval trail between the Analyst & Manager. This will be implemented by January 31, 2024. Initially this will be achieved via email.

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

- 2.5 The objectives of this performance audit were to determine whether the department conducted a reasonable and appropriate analysis to select a project delivery model, and whether the department and the Nova Scotia Health Authority followed a reasonable and appropriate methodology to develop a master plan for the Halifax Infirmarium Expansion and Community Outpatient Centre components of the QEII New Generation Project.
- 2.6 Build Nova Scotia 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 QEII New General Project 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 benefits 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.

Build Nova Scotia response as of October 2023: Using the framework defined within the Bayers Lake Community Outpatient Centre (COC) Contract Management Manual, Build Nova Scotia will develop a subsequent manual for the Halifax Infirmarium Expansion project. The form and function of this document will reflect any lessons learned from the implementation of the Bayers Lake COC Contract Management Manual. The subject recommendation will remain open until such point that the Halifax Infirmarium Expansion Project reaches operationalization, and the 30-year operating term begins.

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 Infirmarium 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 Infirmity (HI) Expansion and Bayers Lake Community Outpatient Centre (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.

Build Nova Scotia response as of October 2023: Build Nova Scotia will continue to ensure the mitigation strategies from the objectivity analysis are completed for the Halifax Infirmity Expansion project. In coordination with receipt of the final financial submission, Build Nova Scotia will complete an updated Value for Money analysis. Build Nova Scotia will also leverage specific Project Agreement conditions that contain processes to address the impact of future pandemic or epidemic events. The subsequent analysis for the Halifax Infirmity Expansion project will be completed prior to Commercial Close, scheduled for Spring 2024. The subject recommendation will remain open until such point that the final financial submission is received and evaluated.

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.

Build Nova Scotia and Nova Scotia Health Authority response as of October 2023: Using established and formalized mechanisms, Build Nova Scotia (formerly Nova Scotia Lands Health Infrastructure) will continue to work with Nova Scotia Health (NSH) to engage 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) contract. The subject recommendation will remain open until such point that issues for consideration (IFC) documents are developed for the Halifax Infirmary Expansion Project.

July 2020: Contaminated Sites

- 2.7 The purpose of this performance audit was to determine whether the Province of Nova Scotia is appropriately identifying and managing contaminated sites for which it is responsible.
- 2.8 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 2023: 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 Finance and Treasury 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 2023: 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 Finance and Treasury Board and 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 Finance and Treasury Board and Contaminated Sites Regulations. The estimated completion time is 2024.

Organizations with All Recommendations Completed

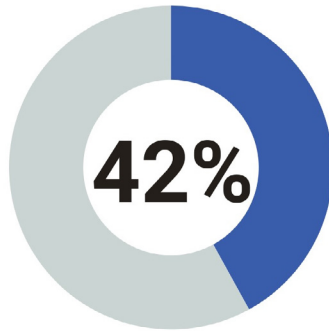
2020 Audits – All Recommendations Completed	Organization
July 2020: Contaminated Sites	Executive Council Office
	Environment and Climate Change

* See Appendix II for a list of the completed recommendations

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Chapter 3

2021 Performance Audit Recommendations









2021 Overall Results

Government completed 42% (11 of 26) after two years

Government accepted all recommendations from our 2021 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 2021					
Nova Scotia Liquor Corporation – Phase II	11	6	5	45%	
July 2021					
Planning and Implementation of the Pre-Primary Program	9	6	3	33%	
November 2021					
Internet for Nova Scotia	4	2	2	50%	
Value for Money of Early COVID-19 Relief Programs for Individuals and Small Businesses	2	1	1	50%	
Total	26	15	11	42%	

Recommendations Outstanding by Organization

2021 Audits – Outstanding Recommendations	Organization	# Not Completed
May 2021: Nova Scotia Liquor Corporation – Phase II	Nova Scotia Liquor Corporation	6
July 2021: Planning and Implementation of the Pre-Primary Program	Education and Early Childhood Development	6
November 2021: Internet for Nova Scotia	Finance and Treasury Board	1
	Build Nova Scotia	1
November 2021: Value for Money of Early COVID-19 Relief Programs for Individuals and Small Businesses	Education and Early Childhood Development	1

Questions Nova Scotians May Want to Ask Regarding 2021 Audits

Nova Scotia Liquor Corporation – Phase II

1. How will the NSLC make sure that local manufacturers are not selling alcohol below the allowable price?
2. How will the NSLC Board of Directors confirm new board members have skills and experience to meet the needs of the board?

Planning and Implementation of the Pre-Primary Program

3. How does the Department of Education and Early Childhood Development know whether the Pre-Primary Program is meeting program goals?
4. What is the Department of Education and Early Childhood Development doing to make sure school staff are aware of the different roles and responsibilities of the Pre-Primary Program and how they relate to each other?
5. How does the Department of Education and Early Childhood Development make sure Pre-Primary Program staff have consistent and appropriate qualifications and training?

Internet for Nova Scotia

6. How does Build Nova Scotia know whether internet projects are on or behind schedule?
7. What is the Department of Finance and Treasury Board doing to verify the appropriateness of decisions made to place public money into specific-use trust funds?

Value for Money of Early COVID-19 Relief Programs for Individuals and Small Businesses

8. How does the Department of Education and Early Childhood Development verify recipients of grants were entitled to funding?

3 2021 Performance Audit Recommendations

Audits with Recommendations Not Completed

- 3.1 Fifteen recommendations from our 2021 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.

May 2021: Nova Scotia Liquor Corporation – Phase II

- 3.3 The objectives of this performance audit were to determine whether the Nova Scotia Liquor Corporation (NSLC) procures and promotes alcohol products in a fair and consistent manner, whether they appropriately manage alcohol inventory, and whether governance structures and processes are in place and provide oversight and accountability.
- 3.4 The Nova Scotia Liquor Corporation has not completed the following six recommendations:

Recommendation 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.



Our 2021 audit found the NSLC had no policies or procedures detailing the selection of general listing and one-time only beverage alcohol products. Examples of missing policies included adding new products, delisting existing products, and determining where existing products are sold. By not completing this recommendation, product listing decisions could be made which do not support the goals of the organization.

Nova Scotia Liquor Corporation response from original report (2021): 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 response as of October 2023: The Nova Scotia Liquor Corporation has documented the selection criteria, processes, and decisions with rationale for general list beverage alcohol product. All supporting documentation of decisions and approvals are retained in a central location and aligned to retention policies for the organization. Documentation of the selection criteria, processes, and decisions in regards to one-time-only beverage alcohol product procurement is still in progress. The estimated completion time is March 31, 2024.

Recommendation 1.2

The Nova Scotia Liquor Corporation should develop a management review process to assess if product listing decisions are appropriate and adequately supported.



Our 2021 audit found the NSLC had no management approval process or any other decision review process relating to product listing decisions. By not completing this recommendation, poor decisions may be made in the product selection process and they may not be identified.

Nova Scotia Liquor Corporation response from original report (2021): 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 response as of October 2023: The Nova Scotia Liquor Corporation has mapped and documented the management review process for general list beverage alcohol products. All supporting documentation of decisions and approvals are retained to support decision-making. Documentation for the management review process for one-time-only beverage alcohol products is still in progress. The estimated completion is March 31, 2024.

Recommendation 1.3

The Nova Scotia Liquor Corporation should implement a process to monitor pricing at local manufacturer retail stores.



Our 2021 audit found the NSLC was not verifying whether products sold at local manufacturer retail stores were appropriately priced. By not completing this recommendation, local manufacturers may be selling their products for less than the allowable price.

Nova Scotia Liquor Corporation response from original report (2021): The NSLC agrees with this recommendation. The NSLC will be expanding the mandate of the retail audit function to include local producers. As a part of the audit program selling prices will be reviewed. Timeline: December 2021.

Nova Scotia Liquor Corporation response as of October 2023: A process to monitor pricing at local manufacturers and audit program has been developed. Initial audits will be complete by end of October 2023 by NSLC's Audit and Compliance Manager and local producer engagement to review findings and recommendations completed by end of March 2023. Further review has determined that price lists change often, and the accuracy of annual submission may not be valid in many cases beyond the annual submission date. The NSLC will revise the requirement to indicate that Manufacturers must provide a price list to the NSLC upon request. Changes will be made by February 29, 2024.

Recommendation 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.



Our 2021 audit found the NSLC could provide little to no support for its decisions to include or deny applications from suppliers for their products in promotional programs. By not completing this recommendation, decisions regarding what products to include in promotional programs may not be appropriate and in the best interest of the Corporation.

Nova Scotia Liquor Corporation response from original report (2021): 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 response as of October 2023: Policies and procedures for NSLC's promotional program is complete including approval and rejection rationale associated with each application for FY23 programming is in place. The FY24 promotional guide outlines available programs, programming dates, submission dates and criteria for paid and non-paid promotional opportunities. Currently in progress, is the documenting of the selection criteria, processes, and decisions with rationale for One Time Only (OTO) beverage alcohol product procurement selections including approval and sign off process. All supporting documentation of decisions and approval will be retained in a central location aligned to organizational retention policies. Estimated OTO process completion – March 31, 2024.

Recommendation 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.



Our 2021 audit found the NSLC Board of Directors was not conducting annual board evaluations, documenting development plans for individual board members, or holding training sessions on a regular basis. By not completing this recommendation, the NSLC Board of Directors may not be aware of, and may not be following, governance best practices.

Nova Scotia Liquor Corporation response from original report (2021): 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 response as of October 2023: The NSLC's board evaluation process has been added to the Governance and Human Resources (GHR) workplan and will be performed on an annual basis. Initial evaluation was launched in February 2021 and board education planning process to take place on an annual basis. Upon recent review of the Board Education Policy guide, revision to the approach of Board education and development where needed is required. The development plan will focus on the full Board and not at the individual level and will be implemented and executed in 2024.

Recommendation 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.



Our 2021 audit found the Board Competency Matrix of the NSLC Board of Directors had not been updated since its development in 2017, and did not reflect the current membership of the Board. By not completing this recommendation, the NSLC Board of Directors cannot effectively plan for succession of board members when terms expire, and may not be appointing new members with skills to address known weaknesses or competency gaps.

Nova Scotia Liquor Corporation response from original report (2021): The NSLC agrees with this 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 response as of October 2023: The Board's Governance and Human Resources (GHR) committee has reviewed the competency matrix and all required changes approved at the June 2021 meeting. Board members have filled out the approved matrix and results discussed at the August 2021 GRH meeting and subsequently shared with the Shareholder. Documented confirmation of sharing of the competency matrix with the Shareholder will be added to the process for 2024.

July 2021: Planning and Implementation of the Pre-Primary Program

3.5 The purpose of this performance audit was to determine whether the department adequately planned the implementation of the Pre-Primary Program and whether it is regularly assessing its effectiveness.

3.6 The Department of Education and Early Childhood Development has not completed the following six recommendations:



Recommendation 1.3

The Department of Education and Early Childhood Development should regularly evaluate the program to determine whether goals and objectives are being met.



Our 2021 audit found that the Department of Education and Early Childhood Development (EECD) had established goals for the Pre-Primary Program but had no strategy to measure program success. By not completing this recommendation, the Department of Education and Early Childhood Development cannot appropriately measure the effectiveness of the Pre-Primary Program.

Education and Early Childhood Development response from original report (2021): 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. 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. EECD will complete the evaluation in 2022-23 school year which will provide a baseline measurement for outcomes.

Education and Early Childhood Development response as of October 2023: The Department of Education and Early Childhood Development has created an evaluation framework for the pre-primary program. This framework is now being implemented by the Department. A detailed data analysis of the 2022-23 school year will be completed by the end of February 2024.

Recommendation 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.



Our 2021 audit found background checks were sometimes not obtained or were obtained after the individual started working in the classroom. By not completing this recommendation, staff without the required background checks may be working in classrooms, which could create an unsafe learning environment for children.

Education and Early Childhood Development response from original report (2021): 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. 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.

Education and Early Childhood Development response as of October 2023: The Department of Education and Early Childhood Development has maintained background check information in each employee file. A tracking method will be implemented in each Regional Centre for Education/CSAP allowing for confirmation prior to the signing of the attestation. Tracking methods will be implemented by the end of March 2024.

Recommendation 1.6

The Department of Education and Early Childhood Development should ensure Early Childhood Educator's education credentials are verified when they are hired.



Our 2021 audit found employee qualifications were not always confirmed before staff were hired. By not completing this recommendation, unqualified staff may be delivering programs which could impact program quality.

Education and Early Childhood Development response from original report (2021): 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.

Education and Early Childhood Development response as of October 2023: The Department of Education and Early Childhood Development has maintained education credential documents in each individual employee file. A tracking method will be implemented in each Regional Centre for Education/CSAP allowing for confirmation prior to the signing of the attestation. Tracking methods will be implemented by the end of March 2024.

Recommendation 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.



Our 2021 audit found orientation was not held for Pre-Primary staff in the first year the Pre-Primary Program was implemented, and at the time of the audit had only been offered to staff at the start of the year with no option for staff who came on board later. By not completing this recommendation, Pre-Primary staff may not have clear expectations of their role, nor an understanding of their responsibilities before working in the classroom.

Education and Early Childhood Development response from original report (2021): 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.

Education and Early Childhood Development response as of October 2023: The Regional Centres for Education (RCE) and CSAP staff have received orientation prior to starting in the classroom. A tracking method will be implemented in each Regional Centre for Education/CSAP allowing for confirmation prior to the signing of the attestation. Tracking methods will be implemented by the end of March 2024.

Recommendation 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.



Our 2021 audit found roles and responsibilities were unclear among Pre-Primary staff, with some overlapping responsibilities between roles. By not completing this recommendation, confusion and frustration around staff responsibilities remains, which can negatively impact morale.

Education and Early Childhood Development response from original report (2021): 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.

Education and Early Childhood Development response as of October 2023: The Department of Education and Early Childhood Development has defined and communicated roles and responsibilities related to the Pre-Primary Program through orientation sessions, however, there is currently some overlap in roles and responsibilities in certain Regional Centres for Education. This will be resolved by the end of February 2024.

Recommendation 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.



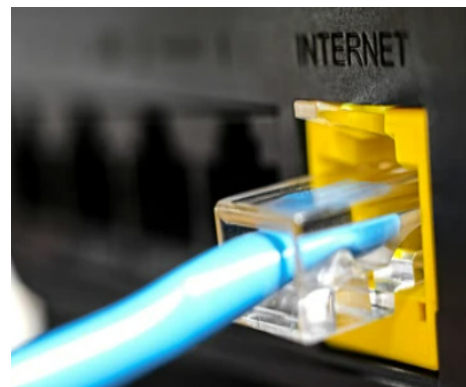
Our 2021 audit found there was no documented complaints resolution process. By not completing this recommendation, a complainant may not know the application process to have their concerns addressed, which could result in issues not appropriately raised, addressed or resolved.

Education and Early Childhood Development response from original report (2021): 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.

Education and Early Childhood Development response as of October 2023: The Department of Education and Early Childhood Development directed each Regional Centre for Education and the Conseil scolaire acadien provincial to amend their complaints policies to include the Pre-Primary Program. Pre-Primary will be explicitly included in all Regional Centre for Education and Conseil scolaire acadien provincial complaint policies by the end of January 2024.

November 2021: Internet for Nova Scotia

- 3.7 The purpose of this performance audit was to assess the progress of the Province of Nova Scotia towards the goal of providing high quality internet service to more than 95% of Nova Scotians, and to assess the adequate safeguarding of the assets of the Nova Scotia Internet Funding Trust.
- 3.8 Build Nova Scotia and the Department of Finance and Treasury Board have not completed the following two recommendations:



Recommendation 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:

- 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.



Our 2021 audit found no evidence of a comprehensive analysis completed to reach the decision to use an external trust, and no documentation to support the determination of \$193 million to deliver the project. By not completing this recommendation, the Province could prematurely lose discretion over how these funds can be used or invested.

Finance and Treasury Board response from original report (2021): The Department of Finance and Treasury Board, in consultation with Executive Council Office, will develop guidance relating to the use of trust funds.

Finance and Treasury Board response as of October 2023: 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 Office of the Auditor General. Expected completion date is December 31, 2023.

Recommendation 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.



Our 2021 audit found Develop Nova Scotia did not review progress reports submitted by proponents and did not maintain minutes of monthly meetings. Develop Nova Scotia did not formally track progress against original project schedules. By not completing this recommendation, work may not be completed as reported, which could result in delays in completing projects.

Develop Nova Scotia response from original report (2021): 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.

Build Nova Scotia response as of October 2023: A complete record of project progress, including tracking against project schedule and milestones, is documented via monthly project reports which include Build 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.

November 2021: Value for Money of Early COVID-19 Relief Programs for Individuals and Small Businesses

3.9 The purpose of this performance audit was to determine whether there were adequate processes and controls in place to ensure that expenditures, made to help Nova Scotians get through the COVID-19 pandemic, were administered effectively to achieve defined goals and objectives.

3.10 The Department of Education and Early Childhood Development has not completed the following recommendation:



Recommendation 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.



Our 2021 audit found childcare centres were required to submit forms detailing their expenses; however, there was no evidence requested to support the information submitted was accurate. We were informed there was no verification of supporting documents at the time of the grant distribution, and no audits had occurred. By not completing this recommendation, childcare providers may have received funding they were not entitled to receive.

Education and Early Childhood Development response from original report (2021): 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 childcare 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. 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. We know how important the availability of childcare is to families and to the economy, and we were pleased to successfully meet the goal of keeping regulated childcare centres viable and ready to be operational for families to return to care once the mandated closures were lifted.

Education and Early Childhood Development response as of October 2023: An external audit firm has been retained to perform an audit of the COVID emergency childcare grant. The audit is scheduled to be complete by Fall 2023.

Organizations with All Recommendations Completed

2021 Audits – All Recommendations Completed	Organization
May 2021: Nova Scotia Liquor Corporation – Phase II	Finance and Treasury Board
November 2021: Value for Money of Early COVID-19 Relief Programs for Individuals and Small Businesses	Finance and Treasury Board

* See Appendix II for a list of the completed recommendations

Limited Assurance Attestation Engagement Description and Conclusion

We completed an independent limited assurance attestation engagement on the status of certain audit recommendations included in the 2019, 2020, and 2021 Performance Audit Reports of the Auditor General. Our objective was to provide limited assurance, as of October 20, 2023, 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 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 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. We believe the evidence we have obtained is sufficient and appropriate to provide the basis for our conclusions. Our report is dated April 19, 2024 in Halifax, Nova Scotia.

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 2019 – Chapter 1: Diversity and Inclusion in the Public Service	3	2	1	33%	1.5
Build Nova Scotia					
December 2019 – Chapter 2: QEII New Generation Project – Halifax Infirmary Expansion and Community Outpatient Centre	5	1	4	80%	2.1 to 2.4
July 2020 – Chapter 1: QEII New Generation Project – Halifax Infirmary Expansion and Community Outpatient Centre Phase II	3	3	0	0%	N/A
November 2021 – Chapter 1: Internet for Nova Scotia	3	1	2	67%	1.2 and 1.3
Community Services					
May 2019 – Chapter 1: Diversity and Inclusion in the Public Service	3	0	3	100%	1.5, 1.7, and 1.8
Cyber Security and Digital Solutions					
January 2019 – Chapter 1: Information Access and Privacy Information Technology Projects	5	1	4	80%	1.1 to 1.3, and 1.5
Education and Early Childhood Development					
July 2021 – Chapter 1: Planning and Implementation of the Pre-Primary Program	9	6	3	33%	1.1, 1.2 and 1.5
November 2021 – Chapter 1: Value for Money of Early COVID-19 Relief Programs for Individuals and Small Businesses	1	1	0	0%	N/A
Environment and Climate Change					
July 2020 – Chapter 1: Contaminated Sites	1	0	1	100%	1.4
Executive Council Office					
July 2020 – Chapter 1: Contaminated Sites	1	0	1	100%	1.1
Finance and Treasury Board					
May 2021 – Chapter 1: Nova Scotia Liquor Corporation – Phase II	1	0	1	100%	1.8
November 2021 – Chapter 1: Internet for Nova Scotia	1	1	0	0%	N/A
November 2021 – Chapter 1: Value for Money of Early COVID-19 Relief Programs for Individuals and Small Businesses	1	0	1	100%	1.1
Justice					
May 2019 – Chapter 1: Diversity and Inclusion in the Public Service	3	1	2	67%	1.5 and 1.8
Nova Scotia Health					
July 2020 – Chapter 1: QEII New Generation Project – Halifax Infirmary Expansion and Community Outpatient Centre – Phase II	1	1	0	0%	N/A
Nova Scotia Liquor Corporation					
June 2020 – Chapter 1: Nova Scotia Liquor Corporation – Phase I	11	5	6	55%	1.1, 1.2, 1.7 and 1.9 to 1.11

	Recommendations				
	Total	Not Completed	Completed		Recommendation Number Completed as confirmed by the AG
May 2021 – Chapter 1: Nova Scotia Liquor Corporation – Phase II	10	6	4	40%	1.5 to 1.7 and 1.9
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	0	7	100%	1.1 to 1.7
Public Works					
May 2019 – Chapter 2: Selection and Quality Management of Bridge Projects in Central and Western Districts	7	6	1	14%	2.7
July 2020 – Chapter 1: Contaminated Sites	3	2	1	33%	1.1
Workers' Compensation Board					
May 2019 – Chapter 3: Workers' Compensation Board: Claims Management	12	0	12	100%	3.1 to 3.12



Appendix III (unaudited)

Organizational Progress Update for 2022 Performance Audit Recommendations as of December 31, 2023

This appendix provides all performance audit recommendations from 2022 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 2023 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, 2023 (unaudited)
May 2022 – Oversight and Management of Individuals Serving Community-Based Sentences		
<p>1.1 We recommend the Department of Justice develop and implement a process to determine if the electronic supervision service provider is fulfilling the terms of its contract. This must include verifying alerts are properly addressed.</p>	<p>Department of Justice: Correctional Services will implement an audit process for Electronic Supervision (ES) to ensure policy is followed, contract provider is fulfilling agreement and decisions are properly documented. This work was delayed by the pandemic. Timeline: May 2023.</p>	<p>Department of Justice: Prior to the release of the Auditor General's Report, Correctional Services had implemented an audit process where the Electronic Supervision (ES) Service Provider provided a daily list of alerts to Correctional Services for review to ensure the service provider responded to the alerts in accordance with Electronic Supervision policies, procedures, and response protocols. Where the service provider failed to respond as required, documented follow up is required to seek explanations and remedies. Through the request for proposal process, ES Services have been contracted to SafeTracks GPS Canada with audit processes embedded in the contract, which came into effect on March 31, 2023.</p>
<p>1.2 We recommend the Department of Justice properly document the approval and rationale to not use electronic supervision despite it being included in a conditional sentence order.</p>	<p>Department of Justice: ES may not be appropriate for all individuals where ES is a condition included in a Court Order. Probation Officers (PO) complete Risk and ES Assessments to determine what level of ES, if any, is required. Correctional Services will ensure clearly documented reasons for employing or not employing ES are provided in the Justice Enterprise Information System (JEIN). Timeline: May 2023.</p>	<p>Department of Justice: Correctional Services completed a thorough review of Electronic Supervision (ES) Policy, updating to meet current case management processes. We have implemented an audit process to be completed by the Correctional Services Inspector, in partnership with a designated Senior Probation Officer, to ensure probation officers are properly documenting electronic supervision decisions. This is completed in January and July each year, and electronic supervision audits are done in February and October. Further, the new file review process includes a review by Senior Probation Officers of cases containing ES conditions. These reviews are done in May and November each year.</p>

(continued)

Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2023 (unaudited)
<p>1.3 We recommend the Department of Justice comply with all policies for the monitoring of individuals serving community-based sentences including:</p> <ul style="list-style-type: none"> • completing risk assessments, • conducting meetings at the correct frequency, • completing directed rehabilitation programming, and • acting in a timely and appropriate manner when conditions of probation and conditional sentence orders are violated. <p>If policy requirements cannot be met, court directed programming not completed, or conditions of court orders violated without consequences there must be clear documentation to explain why, including approval as required.</p>	<p>Department of Justice: The Court typically includes conditions to attend programming or treatment on Probation and Conditional Sentence Orders as may be directed by the PO. PO use the Level of Service/Case Management Inventory (LS/CMI) Risk Assessment tool to determine risk and form the basis for case plans, programs and treatment referrals.</p> <p>Additionally, we employ Core Correctional Practices (CCP) to ensure individuals are at the proper Stage of Change for success when referred to a treatment program.</p> <p>Correctional Services uses a restorative approach in determining the need to initiate formal breach proceedings or to use another approved method to address the violation. Correctional Services collaborates with other stakeholders to ensure conditions of Court Orders protect public safety while providing a realistic opportunity for individuals to address criminogenic needs. Acting when conditions are violated in a timely and appropriate manner can include a variety of actions by the PO based on severity of breach and Stages of Change.</p> <p>Clear documentation regarding case management decisions as well as discussions with Senior Probation Officer (SPO) where required by policy should be provided. An audit process will be implemented to ensure proper documentation and policy is followed. Timeline: May 2023.</p>	<p>Department of Justice: Correctional Services has developed a new file review process and audit procedures (both currently in use) to ensure staff are monitoring individuals properly, completing risk assessments, referring individuals to programs and treatment services as required, and acting in a timely manner when breaches occur.</p>
<p>1.4 We recommend the Department of Justice move individuals serving probation orders to administrative inactive status only when they meet all eligibility criteria and have been appropriately approved. The required approval must be clearly documented.</p>	<p>Department of Justice: SPOs are required to review cases monthly to determine if administrative inactive status (AIS) is appropriate. PO must have SPO approval to move individuals to AIS. These decisions should be well documented. The individual and PO sign the AIS form which is to be uploaded to JEIN. Correctional Services will include an audit of PO compliance with AIS Policy in the Correctional Services internal audit schedule. Timeline: May 2023.</p>	<p>Department of Justice: The policy pertaining to Administrative Inactive Status (AIS) of individuals serving community-based sentences has been reviewed and updated to reflect current Core Correctional Practice standards. The new file review process and newly developed audit procedures will ensure the policy pertaining to AIS is properly followed and decisions are appropriately approved and documented. This audit is completed once per year, in September.</p>
<p>1.5 We recommend the Department of Justice update the file review process for community corrections to address key aspects of the supervision of individuals serving community-based sentences and include adequate documentation to confirm all policy requirements were properly reviewed and indicating how deficiencies are addressed.</p>	<p>Department of Justice: Correctional Services completes file reviews twice per year and regularly reviews its Policies and Procedures, updating as required. An updated File Review Process was implemented Fall 2021. The new File Review Process will ensure any recommended follow up occurs. Timeline: May 2023.</p>	<p>Department of Justice: Correctional Services has developed and implemented a new file review process which is conducted in May and November each year. The new process has been employed for two review cycles in Fall 2022 and Spring 2023. It was then assessed by the file review committee and updated for the Fall 2023 review cycle to ensure the process is properly assessing key aspects of the supervision of individuals serving community-based sentences, with proper follow-up and Correctional Services management oversight.</p>



(continued)

Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2023 (unaudited)
<p>1.6 We recommend the Department of Justice complete the required file reviews to assess probation officer compliance with Department policies for supervising individuals on community-based sentences and act to address instances of non-compliance with policies.</p>	<p>Department of Justice: SPOs are required to complete file reviews of all POs twice per year. Correctional Services will implement internal audit processes to ensure file reviews are completed in accordance with policy. Timeline: May 2023.</p>	<p>Department of Justice: The new File Review process has been implemented twice since the submission of the Auditor General's Report, then reviewed and updated. Correctional Services has further revised the file review process to require the Managers, Correctional Services to review every report to ensure policy is being implemented, and in cases where it is not, to ensure that proper follow-up occurs. Further, we have implemented Correctional Services Inspector-led audits of key supervision practices to further ensure policy is properly implemented.</p>
<p>1.7 We recommend the Department of Justice develop and implement a performance monitoring framework to improve management oversight of community corrections. This must include:</p> <ul style="list-style-type: none"> • defining the information needed to oversee the supervision of individuals serving community-based sentences by probation officers across the province, • outlining how this information will be collected and analyzed, • establishing meaningful performance indicators, • reporting regularly on performance, and • responding as required when deficiencies are identified. 	<p>Department of Justice: While the File Review process achieves much of this recommendation, Correctional Services plans to implement internal audit processes to ensure risk assessments are completed, supervision standards are followed and file reviews are completed in accordance with policy. Timeline: May 2023.</p>	<p>Department of Justice: The new file review process (as outlined in Recommendation 1.6) has greatly enhanced Correctional Services' ability to provide management oversight of community corrections. Furthermore, we have developed internal audit processes for Electronic Supervision, completing risk assessments, supervision standards, administrative inactive status, and documentation. To ensure Correctional Services is providing proper oversight of individuals serving community-based sentences in accordance with Core Correctional Practice standards, a thorough review and updating of policy and procedures pertaining to Community Corrections has been completed.</p>
<p>1.8 We recommend the Department of Justice identify community corrections staff that have not fulfilled training requirements and develop and implement plans so all required training is completed.</p>	<p>Department of Justice: Correctional Services maintains a training schedule calendar. Correctional Services will schedule additional required training to address any training gaps/delays. Timeline: May 2025.</p>	<p>Department of Justice: Correctional Services has developed tracking processes to ensure we have current and accurate data regarding completed and outstanding training requirements of Community Corrections staff. The Training and Development section of Correctional Services has been expanded to include two Managers of Training and Development with one manager assigned to Community Corrections and the other to facilities. We have added positions to our full-time training team and expanded our network of part-time trainers. Correctional Services has instated a block training framework where staff are regularly scheduled for training to ensure all required training is current. As of December 31, 2023, 85 per cent of probation officers have completed all required training. The remaining 15 per cent will be trained in early 2024.</p>

(continued)

Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2023 (unaudited)
<p>1.9 We recommend the Department of Justice develop and deliver an orientation program for new community corrections staff.</p>	<p>Department of Justice: A new On Boarding Process for administrative staff, Probation Officers, and Senior Probation Officers is currently in development to replace the current orientation program in use since 2008. Timeline: November 2023.</p>	<p>Department of Justice: An Onboarding Program has been developed and is in place for Probation Officers. The Onboarding Program has been completed for Administrative Staff and is currently in the pilot phase with our most recent hire. For Senior Probation Officers, we expect the Onboarding Program to be completed and in place by the end of 2023.</p>
<p>1.10 We recommend the Department of Justice assess the training needs of community corrections staff, including determining what needs to be mandatory training for probation officers, to identify and implement improvements. Training requirements must be regularly reviewed with the results clearly documented.</p>	<p>Department of Justice: Correctional Services assesses the training needs of staff annually and training plans are developed. Correctional Services currently mandates the following training for all Probation Officers and Senior Probation Officers directly relating to the supervision of individuals serving community-based sentences: Core Correctional Practices (CCP), Level of Service/Case Management Inventory (LS/CMI), Youth Level Service/Case Management Inventory (YLS/CMI) training. It is important to note CCP includes a focus on Stages of Change, this information, combined with the Risk Assessment results informs responsive case planning for individuals serving community-based sentences.</p> <p>Correctional Services will develop processes to ensure training requirements and subsequent training plans are clearly documented. Timeline: May 2023.</p>	<p>Department of Justice: Training Matrices have been developed for Community Corrections where mandatory and professional development training for target staff are identified. The training matrices are used to track the mandatory training so staff can complete the duties of their jobs effectively and safely. Professional development opportunities are also identified to provide opportunities for career development.</p>
<p>June 2022 – Oversight and Management of Government Owned Public Housing</p>		
<p>1.1 We recommend the Department of Municipal Affairs and Housing implement an effective governance structure and accountability framework, which includes:</p> <ul style="list-style-type: none"> • establishing clear goals and performance metrics for public housing, • clarifying roles and responsibilities for reporting, • monitoring results internally at regular intervals, and • taking action to determine and address the root cause of poor results. 	<p>Department of Municipal Affairs and Housing: 1) The Department of Municipal Affairs and Housing (DMAH) is acting on the Nova Scotia Affordable Housing Commission's recommendation to establish a new governance structure for government owned public housing. Development of options for the legislative framework and implementation plan for the new governance model will be completed in 2022. Timeline: 2022.</p> <p>2) Planning is underway to develop a Housing Authority Policy and Operational Framework and new service standards for public housing, in alignment with the proposed new governance model. Timeline: 2024-25.</p> <p>The scope of work for this project includes:</p> <ul style="list-style-type: none"> • Establishment of goals and performance metrics for public housing • Definition of roles and responsibilities for reporting • Proposed schedule and process for internal monitoring of results • Proposed mechanisms to support continuous improvement 	<p>Department of Municipal Affairs and Housing: On December 1, 2022, under the Housing Supply and Services Act, the Province created the Nova Scotia Provincial Housing Agency (NSPHA) - a new Crown corporation responsible for public housing. This was a key recommendation of the Auditor General and achieves the Ministerial mandate commitment to create a new governance structure and improve oversight and management of public housing. Work is underway on a new policy and operational framework and accompanying client service standards for the NSPHA. New policies, processes and performance metrics have already been implemented and the project is scheduled for completion by end of fiscal year 2024/25.</p>



(continued)

Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2023 (unaudited)
<p>1.2 We recommend the Department of Municipal Affairs and Housing report publicly at regular intervals information necessary for public housing applicants to develop realistic expectations for access to public housing based on prioritization, region, and unit size.</p>	<p>Department of Municipal Affairs and Housing: Work is underway on a multi-year project to upgrade client service and asset management systems for public housing. Phase 2 of the project, scheduled for completion in fiscal 2022-23, will optimize and transform service delivery across the province and improve data quality. This will lay the foundation for a new front-facing platform that will provide applicants with information needed to develop realistic expectations for access to public housing based on prioritization, region and unit size. Timeline: 2022-23.</p>	<p>Department of Municipal Affairs and Housing: Phase one of the client service and asset management system upgrade was completed in summer 2023. This includes the launch of RentCafé - new client-focused software that enables applicants to review the status of their application and update their information via a self-serve portal. RentCafé has modernized waitlist management at the Nova Scotia Provincial Housing Agency. Waitlist ranking is now automated, resulting in increased administrative efficiency and effectiveness and a more equitable unit allocation process. Work on a new digital platform to provide applicants with realistic information on wait times for access to public housing - based on prioritization, region and unit size - will be completed by fiscal year 2024/25.</p>
<p>1.3 We recommend the Department of Municipal Affairs and Housing review and update the Housing Authorities Policy Manuals at regular intervals to address required changes and provide direction on identified gaps in policy.</p>	<p>Department of Municipal Affairs and Housing: Housing Authority Policy Manuals establish policies and procedures related to client eligibility, application waitlist selections and transfers, income verification and rent calculation, property management, lease administration, rent collection and procurement. The scope of work for the review and development of a new policy and operational framework will include a process and schedule for review of policies and procedures at regular intervals to address required changes and provide direction on identified gaps in policy. Timeline: 2024-25.</p>	<p>Department of Municipal Affairs and Housing: In spring 2023, the Nova Scotia Provincial Housing Agency implemented a new Policy Framework to provide consistency in policy development, clarity on roles and responsibilities and foster an organizational culture of accountability and continuous improvement. This work has laid the foundation for the review and update of operational policies, processes and tools at regular intervals to address required changes and provide direction on identified gaps in policy.</p>
<p>1.4 We recommend the Department of Municipal Affairs and Housing assess the role of regional housing authority boards and update the board member handbook and terms of reference, including:</p> <ul style="list-style-type: none"> • board mandate, • appropriate board composition, • appointment process, and • required orientation and training programs. 	<p>Department of Municipal Affairs and Housing: A review of roles and responsibilities of Housing Authority Boards is part of the work to develop a proposed new governance model. Timeline: 2022-23.</p>	<p>Department of Municipal Affairs and Housing: With the introduction of the <i>Housing Supply and Services Act</i> in Fall 2022, housing authority boards were dissolved and a new advisory board for the Nova Scotia Provincial Housing Agency (NSPHA) was appointed. Board functions were transferred to NSPHA staff, who now make decisions on applications, transfers and lease termination in accordance with established policy and procedures. The review function of housing authority boards was transferred to an internal Appeal Committee appointed by the NSPHA's Chief Executive Officer. The Appeal Committee has an established terms of reference and orientation and training program.</p>

(continued)

Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2023 (unaudited)
<p>1.5 We recommend the Department of Municipal Affairs and Housing assess the eligibility criteria and screening processes used to grant access to public housing, and update policy to adequately address eligibility in a fair and consistent manner.</p>	<p>Department of Municipal Affairs and Housing:</p> <p>1) In June 2021, DMAH implemented a new standardized application assessment process which established consistent service delivery and data entry standards, aligned processes and decision-making with existing operational policy and created metrics and key performance indicators to support continuous improvement on application assessment. By October 2021, it was operational province-wide. Timeline: Completed.</p> <p>2) While this project achieves much of this recommendation, the scope of work for the project to review and develop a new policy and operational framework will include an assessment and update of eligibility criteria and application intake and placement processes. This will ensure eligibility criteria and screening processes used to grant access to public housing adequately address eligibility in a fair and consistent manner across the province. Timeline: 2024-25.</p>	<p>Department of Municipal Affairs and Housing:</p> <p>Planning is underway on a project to review and update eligibility criteria for access to public housing in alignment with the Nova Scotia Provincial Housing Agency's legislated mandate. The project's scope of work includes an outcome evaluation that will assess the effectiveness of the standardized application assessment process introduced in Fall 2021. This work is expected to be completed by the end of fiscal year 2024/25.</p>
<p>1.6 We recommend the Department of Municipal Affairs and Housing review and update the priority access policy, including clarifying:</p> <ul style="list-style-type: none"> • whether approval should be granted based on homelessness or at risk of homelessness, • the qualifications for life sustaining supports, • guidance regarding who should complete the forms and what supporting documentation is needed, and • how suitable units are determined for priority access applicants on the waitlist. 	<p>Department of Municipal Affairs and Housing:</p> <p>1) DMAH is taking action to ensure case decision making is consistent with existing priority access policy. Through this work, guidance will be provided to Housing Authority staff on who should complete the forms, what supporting documentation is needed and how suitable units will be identified for priority applicants on the waitlist. It will also clarify the criteria for life sustaining support. Timeline: 2023-24.</p> <p>2) Additionally, the scope of the project to review and develop a new policy and operational framework will include assessment and recommendations on all existing priority access policies and procedures, including whether priority access should be granted based on homelessness or at risk of homelessness. This will improve clarity on and standardize processes across housing authorities for priority access to public housing. Timeline: 2024-25.</p>	<p>Department of Municipal Affairs and Housing:</p> <p>In Fall 2023, the Nova Scotia Provincial Housing Agency (NSPHA) introduced new processes and tools that ensure case decision making on priority access applications is consistent across the province, providing clarity and guidance to staff on:</p> <ul style="list-style-type: none"> • Who is eligible for priority access to public housing • Documentation and third-party verification required to confirm eligibility • How suitable units should be allocated for priority access applicants on the waitlist. <p>Priority access to public housing for eligible applicants experiencing homelessness was formally approved for implementation across the province in Fall 2023. The NSPHA is collaborating with the Department of Community Services on a systems approach that ensures access to public housing is prioritized for those who are most in need and supports clients as they transition to safe, suitable and stable housing.</p>
<p>1.7 We recommend the Department of Municipal Affairs and Housing create a process for the consistent administration of public housing application assessments, including an accurate waitlist ranking system and development of service delivery standards.</p>	<p>Department of Municipal Affairs and Housing:</p> <p>1) The standardized application assessment process implemented by DMAH in 2021 has achieved more consistent administration of the public housing application intake, assessment and placement processes. Timeline: Completed</p> <p>2) Additionally, Phase 2 of the project to upgrade the client service and asset management system for public housing includes the launch of a new online portal where applicants can view the status of their applications online. It will also improve accuracy in waitlist management. Timeline: 2022-23.</p>	<p>Department of Municipal Affairs and Housing:</p> <p>Through implementation of a standardized application assessment process in 2021, new service standards and targets were established for processing and approving public housing applications. The introduction of RentCafé in Summer 2023 has helped streamline business processes and improve data quality, improving waitlist management and client experience overall. Because RentCafé automatically generates waitlists, public housing units are allocated to eligible applicants fairly and in a consistent and timely manner across the province.</p>

(continued)

Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2023 (unaudited)
<p>1.8 We recommend the Department of Municipal Affairs and Housing work with the Department of Community Services to establish an appropriate routine information sharing arrangement to confirm relevant income and family composition details for applicants and tenants that receive income assistance.</p>	<p>Department of Municipal Affairs and Housing: At the service delivery level, DMAH and Department of Community Services (DCS) staff already share information on applicants and tenants who receive income assistance, however it's inconsistent. The Department will work with DCS to establish a new, more consistent information sharing mechanism to confirm the family composition and income of clients in public housing who receive income assistance. Timeline: 2023-24.</p>	<p>Department of Municipal Affairs and Housing: An information sharing agreement with the Department of Community Services (DCS) is under development with implementation planned before the end of fiscal year 2023/24.</p>
<p>1.9 We recommend the regional housing authorities retain historical waitlist information for new placements to allow for verification of whether the appropriate applicants are being offered units.</p>	<p>Department of Municipal Affairs and Housing:</p> <p>1) System upgrades that are underway will include the functionality required to manage applicant data and generate waitlists that accurately reflect placements according to current waitlist management policy. The upgrade will also enable retention of historical waitlist information for new placements. Timeline: 2022-23.</p> <p>2) Implementation of the system upgrade, together with updated waitlist management policies and procedures, will provide accountability and assurance that the appropriate applicants are being offered units based on their waitlist positions. Timeline: 2024-25.</p>	<p>Department of Municipal Affairs and Housing: Implementation of RentCafé in Summer 2023 has automated waitlist management to reduce risk of error and help ensure eligible applicants at the top of the waitlist are being offered units. Work is underway to review and update waitlist management policy and processes and introduce new performance measures that will improve accountability and support continuous improvement.</p>
<p>1.10 We recommend the Department of Municipal Affairs and Housing review and revise existing application intake policies to enforce a consistent process requiring documentation of communications with applicants and tenants, including offers and refusals.</p>	<p>Department of Municipal Affairs and Housing: 1) The standardized application assessment process implemented by DMAH in 2021 achieved much of this recommendation by ensuring application intake and placement are followed consistently and efficiently across Housing Authorities. Through this work, service standards were established along with key performance indicators to monitor progress and inform ongoing management of performance. Timeline: Completed.</p> <p>2) Additionally, major upgrades undertaken by the Department to client and asset management system for public housing will include new functionality to improve documentation of the application process. This will enable applicants to apply for public housing and view the status of their applications via the new online portal. Timeline: 2022-23.</p> <p>3) In the longer term, additional mandatory fields will be created for documentation of communications with existing tenants on applications for unit transfers, including offers and refusals. Timeline: 2024-25.</p>	<p>Department of Municipal Affairs and Housing: RentCafé enables households to apply for public housing, update their file and view the status of their application online. Waitlisted households can also confirm their continued need for public housing on their own time. The case management function in RentCafé – introduced in Summer 2023 – facilitates and tracks communications with tenants on applications for unit transfers, including offers and refusals.</p>

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Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2023 (unaudited)
<p>1.11 We recommend the Department of Municipal Affairs and Housing establish a goal to reduce unit turnaround times and implement regular monitoring and public reporting against the target.</p>	<p>Department of Municipal Affairs and Housing:</p> <p>1) In May 2022, DMAH issued a directive to Housing Authorities updating definitions on unit vacancy and unit turnaround times to provide clarity on how vacancy rates are calculated relative to the established vacancy target. This aims to improve data quality on unit turnaround times across the province, as well as monitoring and reporting on targets and outcomes. Timeline: Completed.</p> <p>2) Each Housing Authority has unit turnaround processes and targets. However, work is underway to establish a unit turnaround process that is consistent across Housing Authorities and identifies accountabilities and targets. This will help ensure established targets are met and identify areas for improvement. The major client and asset management system upgrade undertaken by DMAH will further reduce unit turnaround times by streamlining business processes, including job costing, work orders, appliance tracking and inventory and energy management. Timeline: 2022-23.</p>	<p>Department of Municipal Affairs and Housing:</p> <p>In December 2022, the Nova Scotia Provincial Housing Agency implemented a new Unit Turnaround Process Guide that establishes a consistent approach and identifies roles and responsibilities for meeting targets. This resulted in a significant reduction in unit turnaround times – from 151 days identified by the Office of the Auditor General in 2022 to 93 days in August 2023. The client service and asset management system update introduced new functionality for building maintenance to further streamline business processes and ensure buildings are maintained in fair condition across the portfolio. Work on a digital platform for publicly reporting on targets is slated for completion by end of fiscal year 2024/25.</p>
<p>1.12 We recommend the Department of Municipal Affairs and Housing review the existing annual application review process, to:</p> <ul style="list-style-type: none"> • clarify what files should be reviewed, • define who should complete the reviews, and • develop a process for creating and monitoring action plans to resolve any identified deficiencies. 	<p>Department of Municipal Affairs and Housing:</p> <p>1) In 2021, DMAH assessed the rate of annual eligibility checks for tenants and waitlisted applicants. A new process was implemented in June 2021 to resolve immediate issues related to confirming continued eligibility of waitlisted applicants. Timeline: Completed.</p> <p>2) Moving forward, annual eligibility confirmations for tenants will be addressed through upgrades to client and asset management systems. In the new system, automated lists of tenants due for eligibility confirmation will be generated monthly to help ensure staff complete those eligibility checks on schedule. Timeline: 2022-23.</p> <p>3) Assessment of annual application review processes will also be included in the broader policy and operational framework review and development project. This will result in the establishment of new annual application review policies, processes and service standards which will be integrated into a new key performance system for public housing. Timeline: 2024-25.</p>	<p>Department of Municipal Affairs and Housing:</p> <p>The client service and asset management system upgrade automated the annual application assessment and lease review process. Lists of clients due for application assessments or lease reviews are generated monthly, along with letters requesting updated household information, to ensure staff have information needed to complete this work on schedule. The system upgrade has enabled Nova Scotia Provincial Housing Agency (NSPHA) to put controls in place to assess for ongoing eligibility of both applicants and tenants. Work is underway to update lease administration policy and processes and establish performance measures to track and measure achievement of targets and outcomes and address deficiencies. This will be completed by end of fiscal year 2023/24.</p>
<p>1.13 We recommend the Department of Municipal Affairs and Housing complete an assessment of all significant processes and develop an organizational approach to quality assurance that includes at a minimum routine tenant placement, priority access placements, and renewals.</p>	<p>Department of Municipal Affairs and Housing: The scope of policy and operational framework review will include establishment of an organizational approach to quality assurance that addresses routine tenant placement, priority access placements and renewals.</p> <p>The Department will implement the new policy and operational framework along with new service standards and mechanisms for monitoring progress that inform ongoing performance management and foster an organizational approach to continuous improvement. Timeline: 2024-25.</p>	<p>Department of Municipal Affairs and Housing: The scope of work for Nova Scotia Provincial Housing Agency's policy and operational framework review includes assessment of all significant policies and processes as well as the establishment of an organizational approach to quality assurance. This work is expected to be completed by the end of fiscal year 2024/25.</p>



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Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2023 (unaudited)
<p>1.14 We recommend the Department of Municipal Affairs and Housing develop and implement a consistent tenant application appeal policy and process, which includes:</p> <ul style="list-style-type: none"> • clarifying how appeals are initiated, • outlining the process for hearing the appeal, and • establishing timelines for providing a response to the appellant. 	<p>Department of Municipal Affairs and Housing: DMAH will take immediate action to review existing public housing appeal policies and processes to ensure Housing Authorities have standard and formalized written procedures for hearing appeals and establish transparent timelines for providing responses to appellants. This will provide clarity on:</p> <ul style="list-style-type: none"> • How appeals are initiated • The process for hearing appeals • Timelines for providing responses to appellants <p>Timeline: 2022-23.</p>	<p>Department of Municipal Affairs and Housing: On December 1, 2022, the Nova Scotia Provincial Housing Agency (NSPHA) created a new appeal policy and procedures for individuals who disagree with decisions that have been made about applications, transfers, unit size determination, rent calculation and tenant charges. A plain language brochure on the appeal process that is published on the NSPHA's website clearly communicates what decisions can be appealed, how the appeal process works - with timelines, what to expect at an appeal hearing and how soon appellants will receive a response after the hearing.</p>
<p>1.15 We recommend the Department of Municipal Affairs and Housing adopt standardized tenant application denial letters that include the rationale for denial and inform the prospective applicant or tenant of the appeal process including how and where to direct appeal requests.</p>	<p>Department of Municipal Affairs and Housing: In 2021, DMAH launched a project to develop standardized public housing application denial letters across Housing Authorities that include a rationale for denial and inform prospective applicants or tenants of the appeal process, including how and where to direct appeal requests. Timeline: 2022-23.</p>	<p>Department of Municipal Affairs and Housing: Nova Scotia Provincial Housing Agency developed standard templates for application denial letters that include the rationale for denial as part of the project to standardize the application process in 2021. Information on the new appeals process, including how and where to direct appeal requests, was incorporated into standard tenant application denial letters on December 1, 2022.</p>
<p>1.16 We recommend the Department of Municipal Affairs and Housing implement lease renewal processes that verify the continued eligibility of public housing tenants, including considering whether tenants may be over-housed and whether tenants may own property and take appropriate action when issues are identified.</p>	<p>Department of Municipal Affairs and Housing:</p> <ol style="list-style-type: none"> 1) DMAH is taking action to review existing lease renewal policies and processes and ensure they are implemented efficiently and effectively across all Housing Authorities. This includes determining whether tenants may be over-housed or continue to own property and working with staff and key stakeholders to ensure appropriate action is taken when issues are identified. Timeline: 2022-23. 2) The scope of the policy and operational framework review and development process will include proposed new lease renewal and tenant management policies and procedures. Timeline: 2024-25. 	<p>Department of Municipal Affairs and Housing: In Spring 2023, the Nova Scotia Provincial Housing Agency developed stronger processes to support implementation of current policy on overhousing. Many of the households have lived in their homes for decades, and staff are working with them to identify a 'right-sized' unit in their community that meets their needs. Since December 1, 2022, the number of severely overhoused households has been reduced by 25 per cent. Work is underway on new lease administration policies, which include review processes that verify the continued eligibility of public housing tenants. This work will be completed by the end of fiscal year 2023/24.</p>

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Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2023 (unaudited)
<p>1.17 We recommend the Department of Municipal Affairs and Housing, in collaboration with the regional housing authorities, develop and implement:</p> <ul style="list-style-type: none"> • a process and guidance for documenting and addressing tenant-related issues within public housing buildings, and • a process to report ongoing trends, and unique or significant tenant-related issues, to regional housing authority management. 	<p>Department of Municipal Affairs and Housing:</p> <p>1) Work underway to upgrade client service and asset management system for public housing will create new, streamlined tenant management processes for implementation across Housing Authorities. This will include new functionality for documentation of tenant-related issues within public housing buildings, tracking and reporting ongoing trends and addressing unique tenant-related issues to Housing Authority management. Timeline: 2022-23.</p> <p>2) The scope of the project to review and develop a new policy and operational framework will also include a new tenant management approach that provides processes and guidance for:</p> <ul style="list-style-type: none"> • Documenting and addressing tenant-related issues • Reporting on ongoing trends and unique or significant tenant-related issues to management <p>Timeline: 2024-25.</p>	<p>Department of Municipal Affairs and Housing:</p> <p>Phase one of the client service and asset management system upgrade introduced new functionality for case tracking with guidelines that help Nova Scotia Provincial Housing Agency staff efficiently manage and resolve tenant-related issues within public housing buildings. A new Client Engagement Strategy is in development that will outline how we will strengthen our client focus and establish performance metrics to track and evaluate tenant satisfaction. A key component of this work includes the development of processes for reporting ongoing trends and unique or significant tenant-related issues to management. This work will be completed by the end of fiscal year 2023/24.</p>
<p>1.18 We recommend the Department of Municipal Affairs and Housing, in collaboration with the regional housing authorities, develop and implement a public housing complaint resolution process, including controls and service standards around receiving, documenting, and responding to complaints.</p>	<p>Department of Municipal Affairs and Housing:</p> <p>1) Major upgrades currently underway to the client service and asset management system for public housing will include new functionality for documenting complaints and inquiries from tenants, assign staff members to address them and monitor progress on responding to complaints. Timeline: 2022-23.</p> <p>2) Additionally, the project to review and develop a new policy and operational framework will include collaboration with Housing Authority staff and key stakeholders on updates needed to the complaints resolution process, including controls and service standards around receiving, documenting and responding to complaints. Timeline: 2024-25.</p>	<p>Department of Municipal Affairs and Housing:</p> <p>With the upgrade to our client service and asset management system, a case tracking system and guidelines were introduced to facilitate consistent documentation, tracking and resolution of tenant complaints. Staff track the progress of tenant complaints on a dashboard and overdue cases are highlighted. Email notifications alert staff when new complaints are received. Targets have been established for resolution of cases within 30 days, with most being handled within one to three business days. Management can view progress achieved across the Nova Scotia Provincial Housing Agency to promote accountability and foster a culture of continuous improvement.</p>
<p>1.19 We recommend the Department of Municipal Affairs and Housing, in collaboration with the regional housing authorities, review the tenant engagement initiative to clarify the purpose and frequency requirements of engagement sessions.</p>	<p>Department of Municipal Affairs and Housing:</p> <p>The project to review and develop a new policy and operational framework will include collaboration with Housing Authority staff on review of the tenant engagement initiative to clarify the purpose and frequency requirements of engagement sessions. Timeline: 2024-25.</p>	<p>Department of Municipal Affairs and Housing:</p> <p>Work is underway on a new Client Engagement Strategy that will clarify the purpose and frequency of engagements sessions.</p>
<p>1.20 We recommend the Department of Municipal Affairs and Housing develop a management review process to hold staff accountable in addressing issues identified by tenants at engagement sessions.</p>	<p>Department of Municipal Affairs and Housing:</p> <p>Planning is underway to develop a management review process for addressing issues identified by tenants. Timeline: 2023-24.</p>	<p>Department of Municipal Affairs and Housing:</p> <p>Work is underway on a management review process to address issues identified by tenants at engagement sessions. It is expected to be completed by the end of the fiscal year 2023/24.</p>

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Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2023 (unaudited)
September 2022 – Healthy Eating in Schools		
<p>1.1 We recommend the Department of Education and Early Childhood Development and the Regional Centres for Education work collaboratively to adopt the school food service best practices used in the South Shore Regional Centre for Education province wide.</p>	<p>Department of Education and Early Childhood Development: The Department of Education and Early Childhood Development (EECD) will examine the South Shore Regional Centre for Education's (SSRCE) work on school food service in the context of updating the existing School Food and Nutrition Policy. Learnings and high leverage practices from SSRCE as well as the School Healthy Eating Program (SHEP) in NS: Provincial Report will be embedded into the new Food and Nutrition policy as appropriate. Timeline: Begin review in September 2022.</p>	<p>Department of Education and Early Childhood Development: The Department of Education and Early Childhood Development worked collaboratively with the South Shore Regional Centre for Education and identified the best practice of a recipe bank. The Department is adopting the development of a shared provincial recipe bank which will be implemented in the 2024-25 school year.</p>
<p>1.2 We recommend the Department of Education and Early Childhood Development develop a consistent approach to equity meals across the province.</p>	<p>Department of Education and Early Childhood Development: Nova Scotia has a universal School Healthy Eating Program (SHEP) which provides access to food. An example of this is the implementation of universal breakfast programs. We will work to identify the factors that have contributed to the success of ensuring universal access to no-cost school-based meal programs.</p> <p>Conversations have started around expanding this program with federal investment, as announced by the federal government.</p> <p>We will continue to pursue opportunities to collaborate with the federal government to expand our current lunch offerings.</p> <p>The Department of Education and Early Childhood Development (working with Nova Scotia Health-Public Health) will continue to examine how SHEP funding is utilized and ensure there is consistency in practice regarding how this and other funding (primarily used for universal breakfast programs) supports equity meals. Timeline: Dependent on federal funding.</p>	<p>Department of Education and Early Childhood Development: Engagements with education entities indicate that all regions have ways to provide equity meals to students in need. To continue to support consistent food programming, the Department of Education and Early Childhood Development expanded School Healthy Eating Program funding in the 2022-23 school year and continues to partner with other areas of government to further expand funding. The Department has also continued to express interest in expanding lunch offerings through correspondence with Federal counterparts. In addition, the proposed revised School Food and Nutrition policy, planned for implementation in September 2024, contains language around equitable access to food and beverages.</p>
<p>1.3 We recommend the Department of Education and Early Childhood Development develop a flexible provincial school food procurement strategy and policy that leverages purchasing power and responds to needs of local school communities.</p>	<p>Department of Education and Early Childhood Development: The Department of Education and Early Childhood Development will develop a school food procurement strategy that provides guidelines for Regional Centres for Education/ Conseil scolaire acadien provincial (RCEs/ CSAP) on their procurement processes and policies.</p> <p>Attention will also be paid to how the strategy can support the purchasing of locally produced and sourced healthy food and beverages. Timeline: Begin review in September 2022.</p>	<p>Department of Education and Early Childhood Development: The revised School Food and Nutrition Policy is proposed to have a guiding principle that schools and food service providers support food and beverages that are grown, produced, or manufactured in Nova Scotia, Atlantic Canada, or Canada, whenever possible. The proposed revised policy will be released in 2024 with implementation planned for September 2024.</p>

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Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2023 (unaudited)
<p>1.4 We recommend the Department of Education and Early Childhood Development require contracts with third parties for food services in schools to be signed and up to date, include a clause requiring compliance with the Food and Nutrition Policy and include a clause that the provider may be subject to a compliance audit by the Regional Centre for Education.</p>	<p>Department of Education and Early Childhood Development: The Department of Education and Early Childhood Development will require that RCEs/ CSAP attest annually that contracts with third parties for food services in schools are signed and up to date, including clauses requiring compliance with the Food and Nutrition Policy. RCEs/CSAP will submit these attestations to the EECD. Timeline: June 2023.</p>	<p>Department of Education and Early Childhood Development: All third party food service contracts are signed and up to date. The revised School Food and Nutrition Policy is in development and it is proposed that it includes directives that relate to third party contracts and compliance. The proposed revised policy is planned for implementation in September 2024.</p>
<p>1.5 We recommend the Department of Education and Early Childhood Development update the Food and Nutrition Policy to reflect the current Canada Food Guide and write it in a way that it can be reasonably interpreted and implemented.</p>	<p>Department of Education and Early Childhood Development: The Department of Education and Early Childhood Development will be reviewing and updating the Food and Nutrition Policy. This will include ensuring it reflects the latest Canada Food Guide and is accessibly written for the school community. Timeline: Begin review in September 2022.</p>	<p>Department of Education and Early Childhood Development: The Department of Education and Early Childhood Development established a collaborative working group with the Department of Health and Wellness, Nova Scotia Public Health, and Public Health Nutritionists to develop simplified food and beverage standards that are based on the current Canada Food Guide. These standards will accompany the proposed revised School Food and Nutrition Policy and guide food options in schools. The proposed revised policy is planned for implementation in September 2024.</p>
<p>1.6 We recommend the Department of Education and Early Childhood Development create a dedicated coordinating function at the department level to oversee the updating of the Food and Nutrition Policy and to monitor the application and enforcement of the policy going forward in all Regional Centres for Education.</p>	<p>Department of Education and Early Childhood Development: Through the updated School Food and Nutrition Policy, roles and responsibilities for monitoring and enforcing will be articulated, as appropriate to the mandate of the EECD and RCEs/CSAP. The new Policy will outline responsibilities and reflect EECD's overall responsibility for policy development and setting at a provincial level and the regions/CSAP's responsibility for implementation and ongoing monitoring. Timeline: Begin review in September 2022.</p>	<p>Department of Education and Early Childhood Development: The Department of Education and Early Childhood Development has coordinated the updates to the proposed revised School Food and Nutrition Policy. The Department has established a policy compliance process with the education entities to monitor the application and enforcement of the policy going forward.</p>
<p>1.7 We recommend the Department of Education and Early Childhood Development, in consultation with Nova Scotia Health, institute a regular process to evaluate the Food and Nutrition Policy on a provincial level.</p>	<p>Department of Education and Early Childhood Development and Nova Scotia Health: EECD will establish a timeline for a regular provincial evaluation as part of the policy revision process.</p> <p>Nova Scotia Health, Public Health will collaborate with EECD to contribute best practice evidence and expertise in the development of a policy evaluation framework that identifies the roles of partners, establishes appropriate benchmarks and data collection methods that enable accountability and continuous improvement efforts at all levels.</p> <p>Nova Scotia Health, Public Health will work collaboratively with EECD to ensure data collection and monitoring for school food funding and SHEP is coordinated to avoid duplication and minimize burden to the system. Timeline: Begin review in September 2022.</p>	<p>Department of Education and Early Childhood Development: The Department of Education and Early Childhood Development has a revised proposed policy that it intends to release in 2024. Once the policy is released, the Department will work with Nova Scotia Health and the Department of Health and Wellness to develop and institute a regular process to evaluate the policy following implementation in September 2024. This policy will be regularly evaluated in collaboration with the Department of Health and Wellness.</p> <p>Nova Scotia Health: When the policy evaluation framework development has been initiated, Nova Scotia Health Public Health, Department of Health and Wellness Public Health, and Education and Early Childhood Development will collaborate to ensure the framework is evidence-based, roles are clarified, and the data collection and monitoring enable accountability and continuous improvement at all levels.</p>



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Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2023 (unaudited)
<p>1.8 We recommend the Department of Education and Early Childhood Development assign oversight responsibility for school food services including vending machines to qualified, dedicated individuals within each Regional Centre for Education.</p>	<p>Department of Education and Early Childhood Development: Through the updated School Food and Nutrition Policy, expectations will be articulated regarding how RCEs collaborate with Public Health Nutritionists to ensure school food services (including vending machines) follow the Policy. Timeline: Begin review in September 2022.</p>	<p>Department of Education and Early Childhood Development: Implementation of the proposed revised policy is planned for September 2024. The policy will include direction on oversight responsibility for school food services, including vending machines, within each Regional Centres for Education and the Conseil scolaire acadien provincial.</p>
<p>1.9 We recommend the Department of Education and Early Childhood Development and Nova Scotia Health jointly review roles and responsibilities and fully utilize the role of the Public Health Nutritionists assigned to support the Regional Centres for Education.</p>	<p>Department of Education and Early Childhood Development and Nova Scotia Health: The Department of Education and Early Childhood Development and Nova Scotia Health, Public Health will jointly review the roles of Public Health Nutritionists assigned to support Regional Centres of Education. Roles and Responsibilities will be outlined in the revised policy.</p> <p>Assigned Public Health Nutritionists will continue to be available to provide expertise and best practice information through Health Promoting Schools partnership structures and other RCE/CSAP school food policy improvement processes. Timeline: December 2022.</p>	<p>Department of Education and Early Childhood Development: The Department of Education and Early Childhood Development is working jointly with the Department of Health and Wellness, Nova Scotia Health, and Public Health to review the roles and responsibilities of Public Health Nutritionists assigned to support education entities. Nova Scotia Health will provide a written overview of the roles of Public Health Nutritionists assigned to support education entities. The Department will provide guidance to the education entities that clarifies the roles and responsibilities of Public Health Nutritionists to ensure full utilization in 2024.</p> <p>Nova Scotia Health: Nova Scotia Health Public Health, Department of Health and Wellness Public Health, and Education and Early Childhood Development will collaboratively review the roles of Public Health Nutritionists and outline their roles in supporting Regional Centres of Education in Education and Early Childhood Development's updated School Food and Nutrition Policy, prior to the policy's expected release in early 2024.</p>

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Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2023 (unaudited)
<p>1.10 We recommend Nova Scotia Health improve the monitoring process of the school food funding to have Regional Centres for Education report specifically on whether they achieved the goals set out in their action plans, and whether the funding was used for its intended purpose.</p>	<p>Nova Scotia Health: Nova Scotia Health, Public Health will administer an updated goal setting, planning, and budgeting template for RCEs/CSAP that has stronger linkages to current evidence and the recommendations identified in the School Healthy Eating Programs in Nova Scotia: Provincial Report and the AG Performance Review. The 2022-23 Healthy Promoting Schools (HPS) funding reporting template will be revised accordingly to ensure there is clear alignment in reporting of how data driven goals are actioned and funds are used.</p> <p>In 2021-22 Nova Scotia Health took steps to improve monitoring of SHEP funding. A secure online platform supported and housed by Nova Scotia Health for data collection and management was used to survey public schools in Nova Scotia and key informant interviews were conducted and analyzed. Results have been compiled in a provincial report available at https://www.nshealth.ca/sites/default/files/documents/School%20Healthy%20Eating%20Programs%20in%20NS.pdf. Nova Scotia Health is committed to continuous quality improvement and will assess the 2022-23 reporting process and make identified refinements for the 2023-24 school year. Timeline: Revised goal setting, planning and budgeting template to RCE/CSAP October 2022. RCE/CSAP to complete for December 31, 2022. Revised reporting template provided to RCE/CSAP June 2023. RCE/CSAP to complete for August 31, 2023.</p>	<p>Nova Scotia Health: A secure online platform was used to survey public schools in Nova Scotia and key informant interviews were conducted and analyzed. Results have been compiled in a provincial report available here: https://www.nshealth.ca/sites/default/files/documents/School%20Healthy%20Eating%20Programs%20in%20NS.pdf Nova Scotia Health is committed to continuous quality improvement and an annual quality improvement process has been put in place. Department of Health and Wellness Public Health will liaise with Nova Scotia Health Public Health to ensure budget accountability measures are in place.</p>
<p>November 2022 – Immigration and Population Growth</p>		
<p>1.1 We recommend the Department of Labour, Skills and Immigration develop and implement a documented process to guide staff in identifying and responding to labour market needs including:</p> <ul style="list-style-type: none"> • staff responsibilities • types and sources of information to be used • stakeholder consultation required • frequency of review • forecasting of future labour market needs • documentation requirements; and • guidance on how labour needs will inform immigration programming. 	<p>Department of Labour, Skills and Immigration: Immigration and Population Growth Branch (IPG) is responsive to emerging labour market trends by regularly examining labour market information (LMI) as well as consulting employers and industry groups when making immigration program stream changes. IPG will document the operational process for immigration stream changes. As recommended it will include how LMI is used, the source of LMI, and opportunities to forecast labour needs where possible. It will also reference the documents required, staff responsibilities, and frequency. Timeline: April 2023.</p>	<p>Department of Labour, Skills and Immigration: As recommended, Immigration and Population Growth (IPG) has documented the process to add, amend or delete an immigration program or program stream as well as the process to obtain and apply labour market information and other data. The Immigration and Population Growth Branch now maintains several decision-making and tracking tools. The Branch has also initiated a relationship within the department that ensures Branch staff have the most recent and relevant labour market information during discussions about the focus of Nova Scotia immigration programs or streams.</p>

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Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2023 (unaudited)
<p>1.2 We recommend the Department of Labour, Skills and Immigration complete an assessment of the training needs of the Immigration and Population Growth Branch to guide the development and implementation of a training plan for new hires and existing staff. Required training must be delivered to all staff with documentation maintained to support the completion.</p>	<p>Department of Labour, Skills and Immigration: IPG ensures all staff have knowledge of program areas, as well as the tools and the technology required to deliver programs effectively. This includes orientation for new hires as well as ongoing professional development. IPG will complete an assessment of the training needs and develop a training plan that specifies the required training for each position, a training schedule to describe the type and frequency of the training and how the completed training will be documented. Timeline: January 2024.</p>	<p>Department of Labour, Skills and Immigration: The Immigration and Population Growth (IPG) Branch has developed new guides and process documents, which are part of the training assets in the new IPG Training Program. These items, and other training assets, will be used by staff and their managers to complete each item on new Training Checklists that have been created for each role. The IPG Training Program has been finalized, implemented, and tested and is considered completed.</p>
<p>1.3 We recommend the Department of Labour, Skills and Immigration regularly review the procedures for the assessment of applications to the Nova Scotia Nominee Program and the Atlantic Immigration Program. Procedures must be regularly reinforced with staff, with clear expectations provided on how applications are to be assessed, including steps taken to verify information provided by applicants and requirements for the documentation of results.</p>	<p>Department of Labour, Skills and Immigration: IPG maintains resources to facilitate program delivery (i.e., guides, assessment forms, case management system) and ensures program staff are informed of amendments.</p> <p>IPG will conduct a review of existing program operating procedures for the Atlantic Immigration Program and the Nova Scotia Nominee Program and adopt a review schedule to ensure all documents reflect the most up to date information.</p> <p>IPG will also ensure program staff assessment practices are clear on the requirements to document results. Timeline: January 2024.</p>	<p>Department of Labour, Skills and Immigration: The operating procedures for the Atlantic Immigration Program (AIP) and the Nova Scotia Nominee Program (NSNP) and any associated program streams are now contained in comprehensive manuals that detail step-by-step assessment processes, other actions that support effective processing, program workflows and any supplementary information needed to manage program applications. The new manuals are reference guides but also key assets for training Program Officers, the largest employee group within the Immigration and Population Growth Branch.</p>
<p>1.4 We recommend the Department of Labour, Skills and Immigration develop and implement a quality assurance process for provincial immigration programs with the information gathered through the process used to improve the assessment of applications to provincial immigration programs.</p>	<p>Department of Labour, Skills and Immigration: IPG uses a variety of methods to identify and address program quality assurance.</p> <p>IPG will develop and implement a quality assurance program to document the procedures, policies, and resources required to monitor and continuously improve the assessment of applications. Timeline: September 2023.</p>	<p>Department of Labour, Skills and Immigration: The Immigration and Population Growth (IPG) Branch has integrated many additional quality assurance checks and tactics into the application review processes for all provincial immigration programs. These measures will be evaluated through regular audits according to a new Quality Assurance Review process developed by the IPG Investigation and Compliance Division.</p>
<p>1.5 We recommend the Department of Labour, Skills and Immigration develop and implement additional performance indicators to assess the work undertaken to attract and retain immigrants to the province, including considering whether the performance evaluation framework provided by the consultant in 2020 can be used by the Department to improve performance reporting.</p>	<p>Department of Labour, Skills and Immigration: IPG uses established performance indicators to report on program effectiveness and identify opportunities for improvement. In the past two years, the office has seen significant change. It has transitioned from being a stand-alone office to a branch within a department, adopted an expanded mandate, increased immigration targets, and established a broader operational structure.</p> <p>IPG will identify additional performance indicators to complement those already in place to reflect the new mandate and structure to enable accurate reporting through the government business planning process. Timeline: December 2023.</p>	<p>Department of Labour, Skills and Immigration: The Immigration and Population Growth (IPG) Branch reviewed the Evaluation Framework Report (2020) to determine which indicators remained relevant, given the significant organizational changes. The relevant indicators and some new ones informed annual business planning and divisional operational plans. A host of reporting and tracking tools now also track the Branch's key indicators and overall performance.</p>

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Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2023 (unaudited)
<p>1.6 We recommend the Department of Labour, Skills and Immigration complete an assessment of settlement services within the province including:</p> <ul style="list-style-type: none"> • developing a better understanding of immigrant needs • surveying immigrants to understand factors impacting their attraction, integration and retention in Nova Scotia; and • assessing factors that impact awareness and access to settlement programming. <p>Detailed plans must be developed to monitor the implementation of the consultant's recommendations to improve settlement services, including timelines for completion, resource requirements, and regular status reporting to track implementation.</p>	<p>Department of Labour, Skills and Immigration: IPG provides funding to settlement service provider organizations (SPOs) across the province through funding agreements. The agreements set out eligible activities identified by SPOs that best meet the needs of immigrants throughout the province. Funding decisions are based on a comprehensive call for proposal process to ensure the activities funded are effective and responsive.</p> <p>IPG will examine recommendations from a recent settlement review for ways within IPG's authority, to improve the allocation of funding, and where possible implement recommendations. A detailed plan will be developed to monitor and track implementation. Timeline: March 2023.</p>	<p>Department of Labour, Skills and Immigration: Immigration and Population Growth (IPG) Settlement Services activities were assessed through research projects and resulted in a Settlement Review Workplan. The actions identified were applied as fully as possible to the December 2022 Call for Proposals process. Settlement funding agreements with 22 service providers for 2023-2026 now have greater accountability and enhanced settlement services for newcomers. The remaining recommendations from the work plan continue to be implemented and tracked.</p>
<p>1.7 We recommend the Department of Labour, Skills and Immigration require all members of the evaluation committee established to review proposals for funding through the Settlement Funding and Labour Market Integration Funding programs to sign conflict of interest attestations.</p>	<p>Department of Labour, Skills and Immigration: Evaluation of proposals to the Immigration Settlement Funding and Immigration Labour Market Integration Funding programs from settlement service provider organizations (SPOs) are completed by a committee of public service employees (primarily from IPG) having subject matter expertise in agreement management and finance. The provincial government's Conflict of Interest Policy applies to those on the evaluation committee. Additionally, IPG staff are required to sign confidentiality attestations upon accepting a position of employment.</p> <p>IPG will create an additional conflict of interest attestation specific to the settlement program evaluation committee and require all members sign it when invited to participate on the committee. Timeline: January 2023.</p>	<p>Department of Labour, Skills and Immigration: As recommended, Immigration and Population Growth (IPG) implemented a requirement that all evaluation committee members complete a conflict of interest disclosure statement prior to accessing submissions received as a result of the 2023-2026 funding agreement Call for Proposals. In addition to the conflict of interest statement, IPG also created terms of reference for the committee, to provide clarity on the process and their role within it.</p>



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Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2023 (unaudited)
<p>1.8 We recommend the Department of Labour, Skills and Immigration improve the documentation of the review of proposals to the Settlement Funding and the Labour Market Integration Funding programs. Specifically, there must be documentation that clearly explains why settlement service providers were approved or denied along with an explanation to support the amount of funding approved.</p>	<p>Department of Labour, Skills and Immigration: IPG will examine the existing review process to identify and then implement ways to strengthen the proposal assessment process including the method of clearly documenting funding decisions, including an explanation to support the amount of the funding approved. Timeline: January 2023.</p>	<p>Department of Labour, Skills and Immigration: As recommended, Immigration and Population Growth (IPG) documented the process to issue a settlement funding call for proposals. The Branch also enhanced the tools to document proposal assessments by each evaluator against program funding criteria. The new process was successfully applied to the most recent Call for Proposal, issued in December 2022. Call for Proposal process is also integrated into the Settlement Operations Manual produced in response to Recommendation 10 (see item 1.10).</p>
<p>1.9 We recommend the Department of Labour, Skills and Immigration require settlement service providers provide annual audited financial statements and documentation, such as invoices and proof of payment, to support the information included in quarterly reports. The supporting documentation must be used to assess whether the information included in the quarterly reports in accurate.</p>	<p>Department of Labour, Skills and Immigration: Settlement service provider organization (SPO) funding agreements are managed using the Labour Market Program Support System (LaMPSS) which includes how the funding expenditures and activities are monitored. The engagements are referred to as “monitors” and the case management system assigns the type and frequency for each agreement. IPG has established strong partnerships with the organizations and has adopted a collaborative approach to conducting these monitors as well as providing a fair, transparent approach to addressing issues.</p> <p>IPG will examine the current process of monitoring agreements and identify options to strengthen the accountability including the provision of documentation, such as invoices, evidence of payments, and audited financial statements where appropriate to support the information included in quarterly reports. Timeline: June 2023.</p>	<p>Department of Labour, Skills and Immigration: Settlement Service Provider Organization (SPO) funding agreements include scheduled submissions of settlement activity and financial reporting. The agreements also detail status report requirements that include spending and prescribe regular on-site monitoring activities and other checks carried out by Immigration and Population Growth (IPG). These agreements authorize IPG staff to request supporting documents, including financial documents and receipts, and require service providers to retain key documents for six years following the end of their contract with IPG. For some smaller organizations, given the cost it is sufficient that the Branch regularly monitors and reports on their progress.</p>
<p>1.10 We recommend the Department of Labour, Skills and Immigration review and update the procedures for monitoring the funding agreements with settlement service providers in order to accurately reflect the current processes followed and provide clear direction to staff.</p>	<p>Department of Labour, Skills and Immigration: IPG uses the provincial government approved case management system, Labour Market Program Support System (LaMPSS) to manage settlement funding agreements, which includes agreement management procedures.</p> <p>To complement these existing procedures, IPG will review existing settlement program officer resources to develop an updated procedures manual to provide specific direction to program officers managing settlement service provider organization funding agreements. Timeline: October 2023.</p>	<p>Department of Labour, Skills and Immigration: Immigration and Population Growth (IPG) developed an updated procedures manual for the Settlement Services Unit. The manual details 1) the measures that monitor the activities of settlement services organizations 2) step-by-step instructions to complete a call for proposal process (see item 1.8) and 3) the process to develop funding agreements and manage those agreements throughout their term. The manual includes the call for proposals documents and updated activity and financial monitoring templates, as well as instructions to guide officers through the monitoring process.</p>

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Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2023 (unaudited)
<p>1.11 We recommend the Department of Labour, Skills and Immigration develop policies and procedures to guide staff in the identification and investigation of suspected fraud including:</p> <ul style="list-style-type: none"> • methods of identifying potential fraud • how suspected fraud is addressed • the investigation process, including tools and techniques to be used by staff • action to be taken if fraud is confirmed • documentation requirements • regular reviews to update policies and procedures 	<p>Department of Labour, Skills and Immigration: IPG uses a risk-based approach when assessing immigration program applications and ensures all staff have the tools and skills required to complete assessments. As IPG's mandate and allocation continues to expand, steps have been taken to strengthen investigation of fraudulent activities. For instance, an Investigations and Compliance Division was created and has been implementing current practices for identifying fraud and providing resources to IPG staff as required, which has strengthened assessments of applications.</p> <p>IPG will develop and implement a policy and procedures manual to guide staff in the identification of fraud and outlining the procedures for conducting investigations. The manual, informed by best practices and efforts adopted to date, will set out the process to follow, roles and responsibilities, and include any resources required to facilitate and document investigations. It will also include a review cycle to ensure the manual remains current and regularly communicated to staff. Timeline: January 2024.</p>	<p>Department of Labour, Skills and Immigration: Immigration and Population Growth's Investigation & Compliance (I&C) team developed the Investigations and Operating Procedures manual to act as a comprehensive resource to guide the delivery of program integrity activities and to help staff identify and investigate instances of suspected fraudulent activities within immigration programs. It serves as both a training manual and reference guide for I&C staff. It also describes and directs information sharing and other responsibilities among all staff who play a part in supporting program integrity.</p>
<p>1.12 We recommend the Department of Labour, Skills and Immigration develop and implement a conflict of interest policy specific to the Immigration and Population Growth Branch.</p>	<p>Department of Labour, Skills and Immigration: All public service employees are subject to the provincial government's Conflict of Interest Policy. To reinforce this policy, IPG requires all staff sign confidentiality attestations upon accepting a position of employment. This practice was adopted in July 2021.</p> <p>IPG will develop a policy to document the confidentiality attestation practice implemented in July 2021, bring awareness to the provincial government conflict of interest policy, include information on how the conflict of interest policy applies to IPG staff, and communicate potential implications for non-compliance. Timeline: April 2023.</p>	<p>Department of Labour, Skills and Immigration: Immigration and Population Growth (IPG) developed a "Security Measures Policy" that describes the steps taken to protect an applicant's confidential information and protect the integrity of the program. It also sets out requirements of all staff to complete a conflict of interest disclosure declaration, sign a confidentiality statement, and obtain criminal records check upon receiving an offer of employment from Immigration and Population Growth. The policy has been implemented and all existing staff have signed the new conflict of interest statement.</p>
<p>1.13 We recommend the Department of Labour, Skills and Immigration develop and implement a comprehensive immigration fraud training program for staff within the Immigration and Population Growth Branch, including:</p> <ul style="list-style-type: none"> • how to identify potential fraud • how instances of suspected fraud are to be addressed; and • tracking by management to make sure staff have completed all required training. 	<p>Department of Labour, Skills and Immigration: IPG staff are provided relevant training based on the work they were hired to fulfil, which includes immigration fraud training. The Investigations and Compliance Division has strengthened this practice by providing fraud awareness presentations, case specific seminars and other resources to identify and deter fraud.</p> <p>IPG will create an immigration fraud training program for staff that reflects current practice, including:</p> <ul style="list-style-type: none"> • how to identify potential fraud • how instances of suspected fraud are addressed; and tracking by management to make sure staff have completed all required training. <p>Timeline: September 2023.</p>	<p>Department of Labour, Skills and Immigration: Immigration and Population Growth (IPG) developed an Immigration Fraud Awareness and Prevention Training Program and a set of training assets. These assets include a presentation on identifying potential fraud, a manual for staff that describes how to identify and escalate discrepancies, issues and suspicions of fraud or misrepresentation, plus guidelines on how to conduct interviews. These guides and fraud training assets are now a key part of the overall training plan for Investigation and Compliance staff.</p>



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Recommendation	Organization Response from Original Audit Report	Organization Update as of December 31, 2023 (unaudited)
<p>1.14 We recommend the Department of Labour, Skills and Immigration work with the Internal Audit Centre to fully respond to the recommendations of the 2020 fraud risk assessment so the risks identified are addressed and adequately managed.</p>	<p>Department of Labour, Skills and Immigration: IPG has been working with the Internal Audit Centre (IAC) to identify ways to strengthen practices including the provision of an anonymous fraud reporting service.</p> <p>IPG will continue working with IAC to fully respond and implement, where appropriate, the recommendations of the fraud risk assessment report dated 2020 and issued January 2021. Timeline: January 2023.</p>	<p>Department of Labour, Skills and Immigration: Immigration and Population Growth (IPG) reviewed and responded to the recommendations and addressed the risks identified in the fraud risk assessment carried out by the Internal Audit Centre.</p>
<p>1.15 We recommend the Department of Labour, Skills and Immigration develop and implement processes to assess employer and individual compliance with the provincial immigration program requirements. A combination of random selection and risk-based methods can be used for selecting employers and individuals for compliance reviews with research, interviews, and review of documentation used to assess compliance with the requirements of provincial immigration programs. When instances of non-compliance are identified, we recommend establishing protocols that outline how this will be addressed.</p>	<p>Department of Labour, Skills and Immigration: IPG's Investigation and Compliance Division is responsible for conducting reviews of employer and individual case files for program non-compliance.</p> <p>IPG will formalize and document this process of assessing employer and individual compliance. Additionally, two additional compliance officers will be hired, which will increase IPG's capacity to conduct program non-compliance reviews. Timeline: January 2024.</p>	<p>Department of Labour, Skills and Immigration: Immigration and Population Growth (IPG) reviewed, strengthened, and documented the processes required to conduct compliance reviews on employer and individual participants in provincial immigration programs. The procedures are in the Investigation and Compliance Operations Manual and Investigation & Compliance Operating Manual. IPG staff carry out compliance reviews proactively to ensure compliance with program requirements and provide education to program participants. One overall benefit is that information flowing from program officers to program integrity staff is more streamlined and the line between compliance and investigation is more defined.</p>

• • • Office of the Auditor General • • •

5161 George Street, Royal Centre, Suite 400

Halifax, Nova Scotia

B3J 1M7

www.oag-ns.ca

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