

# BUSINESS PLAN

## 2020 - 2023



**OFFICE OF THE AUDITOR GENERAL**  
NEWFOUNDLAND AND LABRADOR

# Office of the Auditor General Newfoundland and Labrador



The Auditor General reports to the House of Assembly on significant matters which result from the examinations of Government, its departments and agencies of the Crown. The Auditor General is also the independent auditor of the Province's financial statements and the financial statements of many agencies of the Crown and, as such, expresses an opinion as to the fair presentation of their financial statements.

## VISION

Promoting positive change and accountability in the public sector through impactful audits.

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## Message from the Auditor General

I am pleased to present a three year business plan for the Office of the Auditor General covering the period from April 1, 2020 to March 31, 2023. Section 48(1) of the **House of Assembly Accountability, Integrity and Administration Act** prescribes the application of the **Transparency and Accountability Act (the Act)** to the statutory offices. Pursuant to a directive from the House of Assembly Management Commission, the Office has developed this plan in accordance with the requirements contained in the Act for a category two entity.

The Act requires that a plan be tabled in the House of Assembly every three years. The Office has undertaken a planning exercise to identify priority issues and key goals that we wish to achieve by March 31, 2023.

I would like to take this opportunity to thank the staff of the Office for their participation and feedback provided during the planning process.

As Acting Auditor General, I am responsible and accountable for the preparation of this three year business plan and the achievement of its goals and objectives. Progress made towards achieving the identified goals and objectives will be reported annually.



SANDRA RUSSELL, CPA, CA  
Auditor General (A)

## Overview

### Responsibility

The House of Assembly is responsible for overseeing the activities of Government and for holding Government accountable for its management of public money and other public resources. The Government reports to the House of Assembly on a regular basis with information about how public funds are used. The Office of the Auditor General is an independent resource available to the House of Assembly to assist in the financial oversight process.

The Auditor General is the independent auditor of the Province's financial statements and the financial statements of many agencies of the Crown and, as such, expresses an opinion as to the fair presentation of these financial statements.

The Office of the Auditor General in Newfoundland and Labrador is also the independent Legislative Auditor of Government, reporting to the House of Assembly on significant matters, which result from examinations of Government, its departments and agencies of the Crown.

The primary characteristic of the Office of the Auditor General is the independent, non-partisan, nature of the office which is intended to ensure objective oversight of the operations of Government. This role is an integral component of the accountability relationship which exists between all levels of Government through to the House of Assembly.

The Auditor General has a responsibility to report directly to the House of Assembly. In accordance with the **Auditor General Act**, the Auditor General is required to provide the House of Assembly with timely, relevant information, necessary to enhance public sector accountability and performance. This requirement to report is centered on the concept of accountability and is central to our system of Government.

### Accountability

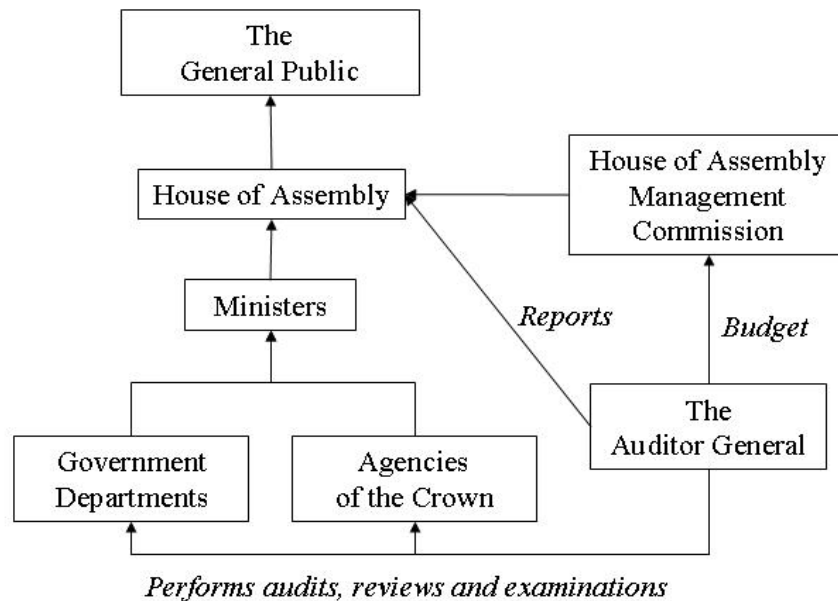
Accountability fosters public trust and confidence in the integrity of the political system and focuses on the key aspects of Government performance relative to intended results which will, over time, lead to improved performance. We recognize that the continued relevance and credibility of our reports is of paramount importance if we are to meet the needs of the Members of the House of Assembly.

The accountability relationship is depicted in Figure 1.



Figure 1

Office of the Auditor General  
Accountability Relationship



Staff and Budget

As at April 1, 2020, the Office had 41 approved permanent positions and 2 approved temporary positions. For the 2020-21 fiscal year, the Office has a budget of approximately \$3.9 million, as outlined in Table 1.

**Table 1**

**Office of the Auditor General  
Budgeted expenditures  
Year Ended March 31, 2021**

Object	Budget
Salaries	\$ 3,359,200
Employee Benefits	94,800
Transportation and Communications	80,000
Supplies	55,000
Professional Services	99,000
Purchased Services	225,000
Property, Furnishings and Equipment	21,100
<b>Total</b>	<b>\$ 3,934,100</b>

The Office operates in St. John's. For further information, please visit our website at [www.ag.gov.nl.ca/ag](http://www.ag.gov.nl.ca/ag).

## Mandate

As derived from the **Auditor General Act**, the mandate of the Office of the Auditor General is to conduct independent financial statement audits, performance audits and special assignments of the Government of Newfoundland and Labrador and its Crown agencies.

## Lines of Business

The Office of the Auditor General delivers on its mandate through the following lines of business:





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## **Audit of the Financial Statements of the Province and Crown Agencies**

A financial statement audit results in the expression of an opinion as to the fair presentation of the Public Accounts of the Province and the financial statements of Crown agencies. We conduct these audits in accordance with generally accepted auditing standards established by the Chartered Professional Accountants of Canada. In addition, issues identified during a financial statement audit may lead to recommendations that are addressed in a letter to the auditee and/or included in the Auditor General's Report to the House of Assembly on the Financial Statements to the Province.

### **Performance Audit**

Performance audits provide the House of Assembly with an independent, professional assessment of public sector accountability, facilitating informed judgments on the manner in which the public sector discharges its responsibilities. Performance audits may include:

- evaluation of accountability relationships, management practices and control systems;
- determination of compliance with legislation and other authorities; and
- evaluation of program results against established criteria.

The findings of the performance audits are reported in the Auditor General's Report to the House of Assembly on Audits of Departments and Crown Agencies.

Performance audits also result in recommendations, which are designed to improve processes and overall performance in the delivery of public services, and in the management of public money and other resources. It is important that Government carefully consider these recommendations and take appropriate action. Therefore, we monitor the extent to which Government implements our recommendations. We monitor the status of implementation of recommendations from each Report approximately three years after the recommendation was made. We report the status of the implementation of recommendations annually in the Update on Prior Years' Recommendations.

### **Special Assignments**

A special assignment is completed in response to a request from the Lieutenant-Governor in Council, or a resolution by the House of Assembly or the Public Accounts Committee. The nature and scope of these assignments vary, depending on the nature of the request. A special assignment will result in a report of findings to whoever makes the request.

## Values

Values are the fundamental principles that guide behaviour and decision making. They are the critical success factors that are essential to effective performance-based planning because they underline the decision-making process, impacting the ability of any organization to achieve defined goals and objectives. Clear communication and articulation of values promotes alignment between organizational culture and achievement of outcomes.

Above all else, the Office of the Auditor General must have independence, credibility and integrity. These are essential to everything we do; critical to our success.

### **Credibility**

The Office of the Auditor General complies with professional and office standards to produce relevant and reliable audit reports.

### **Independence**

The Office of the Auditor General's independence of Government, in fact and in appearance, provides objective conclusions, opinions and recommendations on the operations of Government and Crown agencies.

### **Integrity**

Our staff work in a professional and ethical manner, ensuring respect, objectivity, trust, honesty and fairness.

## Primary Clients

Primary clients are any person, group, or organization served by or utilizing the programs, services and/or products offered by the entity. Identifying the primary client and then determining whether their needs are being met helps an organization determine its priority issues, ensure its mandated obligations are met, and drive the organization's vision and mission.

The primary client of the Office of the Auditor General is the House of Assembly. The Office of the Auditor General has a significant number of internal and external stakeholders which are:



- Speaker of the House of Assembly
- General Public
- Members of the House of Assembly
- House of Assembly Management Commission
- House of Assembly Audit Committee
- Public Accounts Committee
- Government Departments and Crown Agencies

## Vision

Promoting positive change and accountability in the public sector through impactful audits.

## Goals and Objectives

### Issue 1: Strengthen Employee Orientation and Onboarding Experience

Effective orientation and onboarding processes are essential to engage new employees and enable them to successfully integrate into the organization. These include business processes necessary for a new employee to successfully contribute to the delivery of the Office's mandate. It also requires effective, documented business processes to enable knowledge transfer within the Office and ensure that orientation and onboarding processes are current/up-to-date and reflect best practice.

**Goal:** By March 31, 2023, the Office of the Auditor General will have developed documented onboarding business processes that support new employees through their first year of employment and enable them to successfully integrate into the organization and contribute to the delivery of its mandate.

#### Indicators:

- Reviewed and revised office orientation and onboarding processes
- Reviewed and revised auditing orientation and onboarding processes

- Reviewed and revised Office's intranet content to improve usability and relevance to employees
- Developed documented business processes to enable knowledge transfer within the Office and ensure orientation and onboarding information is relevant, readily accessible and up to date

**Objectives:**

- 1.0 By March 31, 2021, the Office of the Auditor General will have explored its current orientation and onboarding processes to identify strengths and prioritize areas of opportunity.

**Indicators:**

- Identified project leaders for the office and auditing processes
  - Identified existing strengths and priority areas of opportunity
  - Developed a staff consultation process to solicit employee feedback and share ongoing progress
  - Researched intranet layouts to identify the best presentation of information for employees
- 2.0 By March 31, 2022, the Office of the Auditor General will have conducted staff consultations, identified the changes required to improve its orientation and onboarding processes, including its intranet content, and have a plan for its implementation.
- 3.0 By March 31, 2023, the Office of the Auditor General will have successfully implemented its new orientation and onboarding processes as reflected in documented business processes.

**Issue 2: Learning and Development Plans**

Formal learning and development plans will be developed to strengthen the overall leadership and technical competencies of employees.

**Goal:** By March 31, 2023, the Office of the Auditor General will have developed formal employee learning and development plans that strengthen overall leadership and technical competencies of employees.



**Indicators:**

- Implemented formal employee learning and development plans that strengthen overall technical competencies for the audit positions.
- Implemented formal employee learning and development plans that strengthen overall leadership competencies for the audit positions.

**Objectives:**

- 1.0 By March 31, 2021, the Office of the Auditor General will have developed an employee consultation process to support the development of formal employee learning and development plans for audit positions.

**Indicators:**

- Identified project leaders for the leadership and technical competencies
  - Developed a needs assessment process to identify priority areas of development in the leadership and technical competency areas
  - Developed a staff consultation process to solicit employee feedback and share ongoing progress
- 2.0 By March 31, 2022, the Office of the Auditor General will have completed a needs assessment that identifies leadership and technical competencies for audit positions.
  - 3.0 By March 31, 2023, the Office of the Auditor General will have finalized a formal learning and development plan that identifies and prioritizes learning and development requirements for audit positions.

**Issue 3: Key Performance Indicators (KPIs)**

The Office of the Auditor General will develop Key Performance Indicators (KPIs) to determine the effectiveness of our internal processes. These indicators will inform the Office about what it is doing well and assist in determining the root cause of any challenges to improve performance in these areas of opportunity.

KPIs will be developed for the Office's financial audits, performance audits and our corporate functions such as human resources.

**Goal:** By March 31, 2023, the Office of the Auditor General will have developed and implemented KPIs for financial audit, performance audit, and corporate functions.

**Indicators:**

- Implemented KPIs that provide credible, timely and relevant information for the Office's financial audit, performance audit and corporate functions

**Objectives:**

1.0 By March 31, 2021, the Office of the Auditor General will have reviewed the internal processes supporting financial audits, performance audits and corporate functions and identified the most beneficial information available for developing KPI's.

**Indicators:**

- Identified project leaders for the development/implementation of KPIs for financial audits, performance audits and corporate functions
  - Analyzed internal processes to identify relevant information for developing KPIs
- 2.0 By March 31, 2022, the Office of the Auditor General will have developed KPIs regarding the internal processes supporting financial audits, performance audits and corporate functions.
- 3.0 By March 31, 2023, the Office of the Auditor General will have implemented KPIs regarding the internal processes supporting financial audits, performance audits and corporate functions.



