

# Reports on Value-for-money Audits

Our value-for-money (VFM) audits are intended to examine how well government ministries, organizations in the broader public sector, agencies of the Crown and Crown-controlled corporations manage their programs and activities. These audits are conducted under subsection 12(2) of the *Auditor General Act*, which requires that the Office report on any cases observed where money was spent without due regard for economy and efficiency or where appropriate procedures were not in place to measure and report on the effectiveness of service delivery. Where relevant, such audits also encompass compliance issues. Essentially, VFM audits delve into the underlying operations of the ministry program or organization being audited to assess both their cost-effectiveness and the service level the public is receiving. This chapter contains the conclusions, observations and recommendations for the VFM audits conducted in the past audit year.

The ministry programs and activities and the organizations in the broader public sector audited this year were selected by the Office's senior management on the basis of various criteria, such as a program's or organization's financial impact, its perceived significance to the Legislative Assembly, related issues of public sensitivity and safety, and the results of past audits and related follow-up work.

We plan, perform and report on our value-for-money work in accordance with the professional

standards for assurance engagements established by the Chartered Professional Accountants of Canada (formerly the Canadian Institute of Chartered Accountants), which encompass value for money and compliance work. They entail conducting the tests and other procedures that we consider necessary, including obtaining advice from external experts when appropriate.

Before beginning an audit, our staff conduct in-depth research into the area to be audited and meet with auditee representatives to discuss the focus of the audit, including our audit objectives and criteria. During the audit, staff maintain an ongoing dialogue with the auditee to review the progress of the audit and ensure open lines of communication. At the conclusion of the audit fieldwork, which is normally completed by late spring of that audit year, significant issues are discussed with the auditee and a draft audit report is prepared. Then senior Office staff meet with senior management from the auditee to discuss the draft report and the management responses to our recommendations. In the case of organizations in the broader public sector, discussions are also held with senior management of the funding ministry.

Once the content and responses for each VFM audit report are finalized, the VFM audit reports are incorporated as sections of this chapter of the Annual Report.