

# Reports on Value-for-money Audits

Our value-for-money (VFM) audits are intended to examine how well government, 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. This chapter contains the conclusions, observations, and recommendations for the value-for-money audits conducted in the past audit year, except for those previously published in a special report during the 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 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, encompass-

ing value for money and compliance, established by the Canadian Institute of Chartered Accountants. Accordingly, our audits include such tests and other procedures as we consider necessary in the circumstances, including obtaining advice from external experts when needed. Our testing generally focuses on activities and transactions conducted in the most recently completed fiscal year.

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. 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, a draft report is prepared, reviewed internally, and then discussed with the auditee. Senior Office staff meet with senior management from the auditee to discuss the draft report and to finalize 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. All responses are then incorporated into the report in each of the VFM sections.