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## CHAPTER THREE

# Reports on Value-for-money (VFM) Audits

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Our value-for-money audits are intended to examine how well the government's programs and activities are being managed and whether they comply with relevant legislation and authorities and, where appropriate, to identify opportunities for improving the economy, efficiency, and effectiveness measures of their operations. These audits are conducted under subsection 12(2) of the *Audit Act*, which requires the Office to 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 programs. This chapter contains the conclusions, observations, and recommendations for the value-for-money audits conducted in the past audit year.

Because of the size and complexity of the province's operations and administration, it is not practicable nor necessary to audit each program every year. Instead, the Office selects which programs and activities to audit on a cyclical basis, so that all major programs and activities are audited about every five years. The programs and activities audited this year were selected by the Office's senior management based on various criteria, such as a program's financial impact, its significance to the Legislative Assembly, related issues of public sensitivity and safety, and the results of past audits of the program.

We plan, perform, and report on our value-for-money work in accordance with the professional standards for assurance engagements, encompassing value for money and compliance, established by the Canadian Institute of Chartered Accountants.

Before beginning an audit, our staff 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 field work, a draft report is prepared, reviewed internally, and then discussed with the auditee. Senior office staff meet with senior management from the ministry or agency to discuss the final draft report and to finalize the management responses to our recommendations, which are then incorporated into each of the VFM sections.