

2.1 Introduction

The Public Accounts represent the annual financial statements of the Government of the Province of Newfoundland and Labrador. These financial statements provide an important link in an essential chain of public accountability. They are the principal means by which Government reports to the House of Assembly and to all Newfoundlanders and Labradorians on its stewardship of public funds. The Public Accounts are published in four volumes.

Volume 1, Consolidated Summary Financial Statements, comprised of the Consolidated Revenue Fund (which accounts for the financial activities of the 20 Government departments and the Legislature) and all Crown agencies with the exception of Memorial University of Newfoundland and the Workplace Health, Safety and Compensation Commission. Details of the entities included in these financial statements are provided in Figure 1.

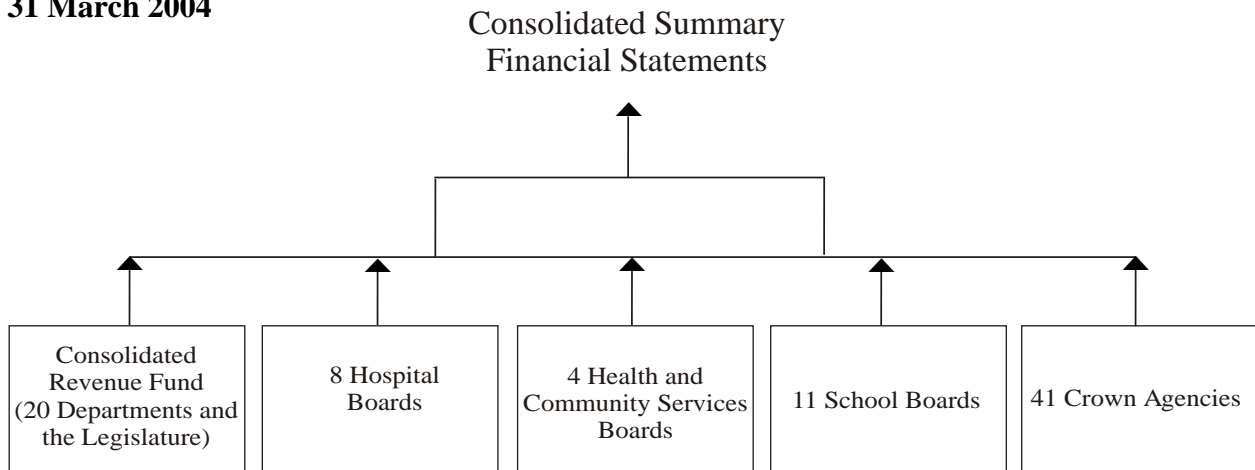
Volume 2, Consolidated Revenue Fund Financial Statements, comprised of the 20 Government departments and the Legislature on an accrual basis of accounting.

Volume 3, Consolidated Revenue Fund, Supplementary Statements and Schedules, comprised of the 20 Government departments and the Legislature on a cash basis of accounting.

Volume 4, Financial Statements of Crown Corporations, Boards and Authorities, comprised of available financial statements for Crown Corporations, Boards and Authorities.

Figure 1

**Entities Included in the Consolidated Summary Financial Statements
31 March 2004**



The Consolidated Summary Financial Statements of the Province (i.e. Volume I) provide the most complete information about the operating results and financial position of the Province. These statements consolidate the financial position and results of operations of the Consolidated Revenue Fund, which accounts for the financial activities of the 20 Government departments and the Legislature, with those of other Government entities. As outlined in Figure 1, these statements include the operations of all Government departments, of which there were 20 in 2003-04, the Legislature, 8 Hospital Boards, 4 Health and Community Services Boards, 11 School Boards and 41 Crown agencies. These 41 Crown agencies do not include Memorial University of Newfoundland and the Workplace Health, Safety and Compensation Commission.

2.2 Legislative Requirements Relating to the Financial Statements of the Province

The Public Accounts are prepared in accordance with section 59 of the *Financial Administration Act*. The *Act* requires that the Public Accounts show:

- the state of the public debt;
- the revenue and expenditure;
- all compromises, remissions, refunds and amounts written off; and
- those other accounts and statements that may under good accounting practice be required to show the financial position of the Province at the end of the fiscal year.

Treasury Board prescribes the manner and form in which the Public Accounts of the Province are prepared, as provided for under the *Act*.

Section 11 of the *Auditor General Act* requires that the Auditor General express an opinion as to whether the financial statements included in the Public Accounts present fairly the financial position, results of operations and changes in the financial position of the Province in accordance with the disclosed accounting policies of the Provincial Government and on a basis consistent with that of the preceding year, together with reservations the Auditor General may have.