

2.1 Introduction I am often asked questions about the financial statements of the Province (commonly referred to as the Public Accounts). In this Chapter, I will address these questions in an effort to provide information, not only about the Public Accounts and my auditor's report, but also to explain the purpose the Public Accounts serve and the importance of having an audit completed.

2.2 What are the Public Accounts?

The Public Accounts contain the annual financial statements of the Province of Newfoundland and Labrador. They are a representation by Government, of the Province's financial condition as at the end of a fiscal year, and the results of its operations, the changes in its net debt and its cash flows for that year.

The *Financial Administration 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.

2.3 Who Prepares Them?

Government is responsible for providing the House of Assembly with the Province's financial statements. Under the *Financial Administration Act*, Treasury Board prescribes the manner and form in which the Public Accounts of the Province are prepared, with the actual statements, schedules and notes being prepared by the Comptroller General.

2.4 Why are they Prepared?

The *Financial Administration Act* requires that the Public Accounts be prepared and tabled in the House of Assembly. The Public Accounts provide an important link in an essential chain of public accountability. In an era where, in Canada and throughout the world, there is a heightened need for transparency and accountability, the preparation and audit of Government's financial statements is of increasing importance. These statements 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.