

### **Recommendation**

*Government should ensure its internal audit function is sufficiently resourced.*

## **5.4 Government Reporting Entity**

Under the standards established for governments by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants, the Province's consolidated summary financial statements are required to include all organizations that are controlled by Government. A detailed listing of organizations and enterprises included as part of the government reporting entity is presented in a schedule to the statements.

I am pleased to report that Government included Memorial University of Newfoundland in the government reporting entity commencing with the year ended 31 March 2006. With the inclusion of the University, the consolidated summary financial statements now meet PSAB's standards for organizations and enterprises to be included in the government reporting entity.

Government considers the Workplace Health, Safety and Compensation Commission to be a form of trust and has disclosed information on the Commission's surplus (\$20.9 million) and unfunded liability (\$139.2 million) for the year ended 31 December 2005 in a note to the Schedule of Trust Accounts in the consolidated summary financial statements. Accounting for entities similar to the Workplace Health, Safety and Compensation Commission continues to evolve, with variations among jurisdictions in Canada.

### **Recommendation**

*Government should continue to monitor how other jurisdictions in Canada account for entities similar to the Workplace Health, Safety and Compensation Commission.*

## **5.5 Environmental Liabilities**

There are many sites in the Province which have environmental contamination resulting from such things as PCBs, old fuel storage tanks and solid waste landfills. These sites include, for example, the old Harmon airforce base, Octagon Pond, Buckmaster's Circle, Marystown Shipyard and abandoned mining properties.