

## Update on Prior Years' Report Items

---

### Department of Education

---

#### 3.2.1 Labrador School District (2003 Annual Report, Part 2.10)

---

##### Introduction

In 2003, we performed a review of the Labrador School Board. The objectives of this review were to review the Board's financial position and operating results, and determine whether controls, systems, policies and procedures in the acquisition of goods and services were adequate and complied with Board policies and the *Public Tender Act* and *Regulations*. Our objective was also to determine whether capital assets were adequately monitored and safeguarded.

---

##### Conclusions from our 2003 review

As a result of our review, we concluded that the Board did not adequately monitor and control its financial operations. The Board did not obtain the prior approval of the Minister to incur annual operating deficits as required by the *Schools Act, 1997*, comply with the *Public Tender Act* and *Regulations*, adequately control expenditures related to purchases, travel, entertainment, and professional services, and did not adequately control its capital assets.

---

##### Update

In October 2005, we contacted the Board requesting an update as to the progress on the comments and recommendations included in our 2003 report. The information provided by the Board in response to our request is outlined below.

---

##### 2003 Recommendation

*The Board should comply with the requirements of the Schools Act, 1997.*

##### Action Taken

The Board indicated that they have a formalized strategic plan in place and reports annually on the accomplishments of the plan. One of the key elements of the strategic plan is addressing the accumulated deficit of the

## Update on Prior Years' Report Items

---

Board. The Board stated they have been successful to date and is on target to achieve the goal of a thirty percent (30%) reduction in its accumulated deficit by the end of fiscal 2006.

The Board indicated their budgetary and fiscal controls are in compliance with the requirements of the *Schools Act, 1997*.

---

### **2003 Recommendation**

*The Board should comply with the Public Tender Act.*

### **Action Taken**

The Board indicated that they are operating within the guidelines of the *Act* and issues public tender calls where necessary as per the *Act*. All tenders are prepared and advertised both electronically and in local newspapers. As well, advice is sought from the Government Purchasing Authority as to where a tender is required.

The Board indicated they have also instituted a practice of soliciting quotes from local engineering firms for the provision of engineering services (where required) to develop, award and oversee complex engineering projects.

Also, for goods and services that fall below the mandated guidelines of the *Act*, the Board indicated they solicit at least three (3) quotes, where possible, from local suppliers for the provision of the goods.

---

### **2003 Recommendation**

*The Board should strengthen controls relating to purchasing, travel, entertainment and professional services.*

### **Action Taken**

The Board indicated that one of the key elements of its strategic plan was the reduction of the accumulated deficit. Key to this is the strengthening of financial controls through:

## Update on Prior Years' Report Items

---

- the budgetary and monthly monitoring and reporting of variances;
- the development of governance policies - particularly those pertaining to finance; and
- the monitoring of purchase orders, ensuring compliance with the *Public Tender Act*, signing authorities, and budgetary allocations.

The Board indicated that travel is controlled through public tendering for the provision of services and the monitoring of claims. As travel costs are a significant portion of the Board's costs, they are closely monitored.

The Board indicated that professional services are only engaged on a need basis and are generally limited to the provision of accounting, legal, and engineering services.

---

### **2003 Recommendation**

*The Board should strengthen controls over capital assets.*

### **Action Taken**

The Board indicated that it has and is still developing this area. Significant improvements have been made in this area since the review. Illustrative of this is the control over all attractive items - computer hardware/software, electronic items - TV, DVD players, etc. All items have been inventoried and engraved by schools, and the inventory is maintained at the district office.

The Board indicated that the computer technicians assigned to the respective sites are responsible to ensure that new items are controlled and older items, when disposed of, are removed from the inventory list. It was further indicated that this is a daunting task given the geography of the Board and the fact that each technician (4 in total) is responsible for twenty-one (21) work sites, with an individual responsibility of approximately three hundred sixty (360) computers plus software and other items.

The Board indicated that resources are not sufficient to ensure that all assets are inventoried, other than attractive items. Desks, chairs, etc. are not inventoried as they are treated as consumables in the year of acquisition. Many are damaged/destroyed through usage, defacing, etc., so to attempt to monitor this would be next to impossible, given the present

---

## Update on Prior Years' Report Items

---

staffing levels both in the schools and at district office. School secretaries are seasonal employees, many of whom do not work seven hour days. It would be next to impossible, based on their daily work, to have them inventory these items. District office has seen a reduction in staff, again limiting the ability of the few to do the work. The Board indicated that given the isolation of the community in the majority of the cases, no desks, etc. are shared between schools. Desks remain in the schools until retired and disposed of, at which point they are replaced.

The Board indicated that other assets, such as vehicles, are controlled.

---

## Department of Environment and Conservation

---

### 3.2.2 Contaminated Sites (2002 Annual Report, Part 2.8)

---

#### Introduction

In 2002, we performed a review of contaminated sites. The objective of our review was to determine whether contaminated sites were adequately controlled and managed.

---

#### Conclusions from our 2002 review

As a result of our review, we concluded that there was no central inventory for contaminated sites that are the responsibility of the Province or those that are the responsibility of private owners. The lack of a central inventory made it more difficult for Government to determine the nature and extent of contaminated sites in the Province, the extent of progress of remediation efforts, and estimated future remediation costs to be incurred by Government.

---

#### 2004 Update

In our 2004 annual report, we included an update on the Department's progress towards implementing the recommendation contained in our 2002 report item. At that time, Department officials indicated that they had set up a registry and database for the management of environmental sites, including contaminated sites and remediated sites. The Department also indicated that the registry and database contains those sites that are managed by the Waste Management Section of the Pollution Prevention Division, as well as some data for some but not all sites managed by the Government Service Centres. The Department indicated information on other sites would be put in the database once it became available.

---