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## Reflections of the Auditor General

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As an Officer of the House of Assembly, the Auditor General provides an independent, unbiased, and informed opinion on matters that are considered to be significant to the Members of the House of Assembly. The Office is committed to promoting accountability and encouraging positive change in the stewardship, management and use of public resources. I would welcome feedback from any Member of the House of Assembly that would assist me with this goal.

This Report to the House of Assembly on the operations of the Office of the Auditor General is intended to provide a clear focus on the accountability of my Office. My goal is to provide all Members of the House of Assembly with a full accounting of what happened at the Office during the year - our plan, our budget and the results achieved. This information is provided in seven sections as follows:

**Chapter 1** provides my reflections on the operations of the Office for the year.

**Chapter 2** provides information on the mandate of the Office of the Auditor General.

**Chapter 3** provides information on our Strategic Plan and our annual Operational Plan. The Office is proactive in planning and focusing its resources to achieve the objectives outlined in its strategic and operational plans.

**Chapter 4** provides a comparison of our performance against the goals established for our lines of business outlined in the Strategic Plan.

**Chapter 5** provides information related to our financial accountability. The Office incurred total expenditures of \$2.4 million during 2004-05 in order to complete our work. Our budget is provided by the Commission of Internal Economy and approved by the House of Assembly. Salaries for our 38 staff (34 in our head office and 4 in our regional office in Corner Brook) account for over 83% of total expenditures.

**Chapter 6** provides information on our people. Our staff are our most valuable resource and it is their knowledge and skills that determine the quality of our work.

**Chapter 7** provides information on additional matters related to the Office.

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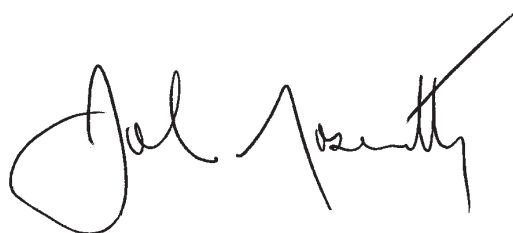
The following are highlights of our work during the year:

- The Office completed the audit of the Public Accounts of the Province for the year ended 31 March 2005. My *Report on the Audit of the Financial Statements of the Province* was submitted to the Speaker of the House of Assembly and released on 29 November 2005. This Report provided information on key indicators of the state of Government's finances and highlighted a number of specific areas - the Financial Condition of Government, the Unfunded Pension Liability, Retirement Benefits - Other Than Pensions, Accounts Receivable, Government Reporting Entity, and Environmental Liabilities.
- My *Report on Reviews of Departments and Crown Agencies* will be submitted to the Speaker of the House of Assembly before 31 January 2006. This Report will include separate items on projects undertaken by my Office during the year as well as an update on the status of recommendations from prior years' report items.
- The Office performs the financial statement audit of 30 Crown agencies. Issues identified during these audits were reported to management for their consideration. The Office also reviewed the financial statements and management letters for 52 Crown agencies which were audited by private sector auditors during the year. At 31 March 2005, 10 of these entities (the 9 school boards and the Office of the Commissioner for Petroleum Products Pricing) no longer existed and the 3 new school boards were in place. Information relating to these reviews will be included in my *Report on Reviews of Departments and Crown Agencies*.

I am continually looking for ways to improve the clarity and conciseness of the reports I provide to the Members of the House of Assembly. Since I was appointed as Auditor General in 2002, I have provided a separate Report on the Operations of the Office of the Auditor General - in the past this information was included with the results of reviews of agencies and departments. In addition, last year I started to provide all reports on a compact size CD.

This year I introduced a new reporting style for the reports and next year I have requested approval to hire a "creative writer/communication person" to work closely with audit staff and further improve report readability.

As with any professional office, my staff are its most important resource. I am very pleased with their performance during the past year and I thank them for their continued hard work, professionalism and dedication.



**JOHN L. NOSEWORTHY, C.A.**  
**Auditor General**