

Our Office is accountable to the House of Assembly for its performance. This section of the Report provides a comparison of our performance against the goals established for the five lines of business outlined in the Office Strategic Plan.

### 4.1 Financial Statement Audits

A financial statement audit enables the Auditor General to express an opinion as to the fair presentation of the Public Accounts of the Province and the financial statements of Crown agencies. The opinion is based on an independent assessment and therefore adds credibility to the information to which it is attached.

#### Goal 1.1

Complete our audit of the financial statements of the Province by 30 September of each year and complete all other financial statement audits within three months of their fiscal year end.

#### Status

My Auditor's Report on the audit of the financial statements of the Province was dated 23 September 2005. The Public Accounts consists of four volumes: Volume I - Consolidated Summary Financial Statements; Volume II - Consolidated Revenue Fund Financial Statements; Volume III - Consolidated Revenue Fund Supplementary Statements and Schedules; and Volume IV - Financial Statements of Crown Corporations, Boards and Authorities.

Of the 30 Crown agency financial statement audits that we perform, 25 were ready for audit in sufficient time for completion within three months of the fiscal year end. The remaining 5 either did not provide draft financial statements or did not provide supporting information for audit in sufficient time for completion within three months.

#### Goal 1.2

Provide the House of Assembly with our report on the audit of the financial statements of the Province by 30 November of each year.

#### Status

Our report on the audit of the financial statements of the Province for the year ended 31 March 2005 was submitted to the Speaker of the House of Assembly and released on 29 November 2005.

## Performance Accountability

### Goal 1.3

On an annual basis, determine during the audit planning cycle which audit procedures can be eliminated or changed in order to reduce time and costs while meeting professional standards. As a result, each time budget will be established to meet audit requirements.

#### Status

Prior to the commencement of each audit, as part of the planning phase, the time budget was reviewed to determine whether there were areas where the audit time could be reduced. At the conclusion of each financial statement audit, the time spent on the audit was reviewed in detail and compared with the original time budget. All audit procedures have been rationalized and are necessary in order to meet professional standards.

### Goal 1.4

Complete all audits (Crown agencies and financial statements of the Province) within budgets for time and cost, and monitor actual time and cost relative to budgets. Our target for success is to be within a 10% variance of budget for time and cost.

#### Status

Of the 30 Crown agency financial statement audits that we perform, in 11 instances the time and costs exceeded the budget by more than 10%. In some instances, this was planned and necessary in order to provide training for junior staff. In other instances, variances were caused by particular circumstances associated with the agency being audited.

The audit of the financial statements of the Province was completed within the set goals.

### Goal 1.5

Conduct all audits in accordance with professional standards and comply with internal Office policy. All financial statements and management letters will be subjected to a professional practice and challenge review process. Our target for success is 100% compliance.

### Status

The Office uses the Canadian Institute of Chartered Accountants' Professional Engagement Manual as a financial statement audit manual to guide staff and promote consistency in our audit work. To ensure compliance with Canadian Generally Accepted Auditing Standards, each financial statement audit file is reviewed and challenged in detail by an Audit Manager. In addition, all financial statements are reviewed by our Professional Practice Group and the Office's Executive before they are released. As a result of these processes, all financial statement audits were conducted in accordance with professional standards and internal Office policy.

### Goal 1.6

Communicate with all auditees on an annual basis to ensure that good quality information required to be audited is available on a timely basis.

### Status

Prior to the commencement of all financial statement audits correspondence was sent to all auditees requesting the necessary information needed to complete the audit on a timely basis.

### Goal 1.7

Provide senior officials with an opportunity to meet and discuss the audit and findings.

### Status

Audit staff met with senior officials of all auditees. Furthermore, all auditees were either written or contacted directly by the Auditor General and provided with an opportunity to meet and discuss the audit and/or findings.

## 4.2 Legislative Audits

Legislative audits provide the House of Assembly with an independent professional assessment of public sector accountability, thereby facilitating informed judgements on the manner in which the public sector discharges its responsibilities. Legislative audits may include:

- evaluation of accountability relationships, management practices and control systems;