

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;

Performance Accountability

- assessment of compliance with legislation and other authorities; and
- performance audits of program results compared to established criteria.

Goal 2.1

Continue to use risk-based audit management. The Executive Committee will meet with Audit Managers on an annual basis to obtain an overview of their departments and agencies. We will also have an annual meeting with all audit staff to identify possible projects.

Status

Although there is no substitute for professional judgement in determining what work we perform, we have developed a computerized risk based audit management system known as The Audit Universe Monitoring System (TAUMS) to assist us with the selection of legislative audit projects. The system was developed in 1996 and is located on the network server in our Corner Brook Office. This system retains financial and other relevant information from all Crown agencies and departments as well as issues raised in management letters. The information storage and retrieval features of TAUMS permit us to prioritize projects during our planning process and address issues requiring attention.

The Executive Committee met with Audit Managers to obtain an overview of their departments and agencies. An annual meeting with all audit staff will also be held in December 2005 to identify possible projects for our next audit cycle.

Goal 2.2

The Executive Committee will meet with each Audit Manager on a bi-weekly basis to discuss the status of each legislative audit.

Status

The Executive Committee met with each Audit Manager to discuss the status of each legislative audit. For the most part, the meetings were held bi-weekly.

Goal 2.3

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

Status

At the commencement of all legislative audits senior officials were contacted and provided an opportunity to meet and discuss the audit. At the conclusion of the audit, senior officials were provided with an opportunity to meet and discuss the findings.

Goal 2.4

Ensure a high level of quality in the legislative audit process by subjecting all reports to quality control criteria and a professional practice and challenge review process.

Status

All legislative audit work is carefully planned, conducted, monitored, and reviewed in accordance with Canadian Generally Accepted Auditing Standards. The reports from this work are the final published product provided to Members of the House of Assembly. Therefore, it is imperative that the documents be factual, relevant and understandable. To achieve this objective, over the years we have undertaken a number of initiatives.

Such initiatives include a rigorous challenge review process at various levels in the Office including the Executive and Professional Practice, and by providing draft reports to senior Government and Crown agency officials for validation and comment. During the year, all legislative audits were subjected to this process. In addition, to improve consistency in our various reports, we acquired specialized software and provided a training course for all audit staff dealing with written communications. As well, we engaged a communications consultant to review certain reports for style and consistency.

Goal 2.5

Monitor the degree to which positive change has occurred resulting from implementation of our recommendations or evidence that major issues will be addressed. Our target for success is that 80% of all recommendations be implemented within two years of our report date.

Status

In 1996, we established a process to measure the extent to which Government implements our recommendations. It is our intention to monitor and update the recommendations in each report two years after it has been issued. Monitoring will continue until we are reasonably satisfied that the issues are being adequately addressed or are no longer valid.

For the 11 years from 1994 to 2004 this Office made 1,042 individual recommendations through our various reports which were tabled in the House of Assembly. We are pleased to note that, for 891 or 85.5% of these recommendations, satisfactory progress has been made or the recommendations are no longer applicable.

In Chapter 3 of our 2005 *Report to the House of Assembly on Reviews of Departments and Crown Agencies* we will provide an update on prior years report items.

Goal 2.6

Provide the House of Assembly with at least two reports each year on reviews of departments and Crown agencies.

Status

Our 2005 *Report to the House of Assembly on Reviews of Departments and Crown Agencies* will be provided to the Speaker for tabling in the House of Assembly before the statutory deadline of 31 January 2006.

Goal 2.7

Provide the House of Assembly with an accountability report on our Office by 31 January of each year.

Status

This report on the operations of our Office was provided to the Speaker before the statutory deadline of 31 January 2006 for tabling in the House of Assembly.