

The following are additional matters relating to the Office:

### **7.1 Public Accounts Committee Hearings**

The House of Assembly's Public Accounts Committee is appointed under the Standing Orders of the House of Assembly. The Committee is comprised of four Government Members and three Opposition Members. The Chair of the Committee is elected from the Opposition Members and the Vice-Chair is elected from the Government Members.

Although the Public Accounts Committee did not hold public hearings during the year, I was pleased to provide the Committee with an overview of my *Report on the Financial Statements of the Province of Newfoundland and Labrador for the Year Ended 31 March 2005*.

### **7.2 Eastern Conference of Legislative Auditors (ECOLA)**

ECOLA meets each year and is comprised of the Auditors General and senior staff members from all of the Atlantic Provinces and Quebec. The Group serves to promote and support professional legislative auditing within all the legislative audit offices in eastern Canada.

### **7.3 Canadian Conference of Legislative Auditors (CCOLA)**

CCOLA meets each year and is comprised of the Auditors General of all Provinces, the Territories and Bermuda along with the Auditor General of Canada and members of each office's senior staff. The Group serves to promote and support professional legislative auditing within all the legislative audit offices in Canada.

### **7.4 Special Report to the House of Assembly**

On 7 March 2005, the Office issued a *Report on the Review of the Office of the Citizens' Representative (Supplementary Report re: Cellular Telephones)*. This Report was in addition to initial comments made in the *Report of the Auditor General to the House of Assembly on Reviews of Departments and Crown Agencies* submitted to the Speaker of the House of Assembly on 26 January 2005.

### **7.5 Review of Health Scope 2004**

On 1 December 2004, the Minister of Health and Community Services released a report entitled *Health Scope 2004: Reporting to Newfoundlanders and Labradorians on Comparable Health Indicators*.

This was the second time that all jurisdictions in Canada agreed to report on a set of comparable health indicators - the first report of this type was released in this Province in September 2002.

My Office performed a review of the 2004 report and issued our comments on the results of applying specified auditing procedures to the information contained in the report.

### **7.6 Opportunities and Challenges**

There are a number of opportunities and challenges which face the Office in the next few years. These include the following:

#### **Succession Planning**

As with many Departments and agencies of the Crown, the average age of our staff has been continuing to rise in recent years and now is 41. This means that in the coming years many of our staff will be in a position to retire at or around the same time. For example, the average age of the management team is 46, which means that within the next decade, many of this team will be eligible to retire. The Office is well positioned to cope with this situation given the education, ongoing experience and professional development of less senior staff.

While succession planning may be considered a challenge, it also provides a clear opportunity and incentive for upcoming younger employees.

#### **Changes in the Auditing Profession**

As a result of recent financial irregularities and the resulting collapse of certain major public corporations, there have been many changes in professional auditing standards. Therefore, the Office has to keep apprised of all developments and requirements and ensure that staff are properly trained and that proper standards are followed. To this end, the Office has a Professional Practice Group which monitors all developments in this area.

#### **Changes in Government and Legislation**

There is a professional responsibility to acquire knowledge of a business in order to effectively perform an audit. As the auditor of Government, therefore, my Office requires a sound knowledge of the business of Government. There are challenges given the many changes which continue to take place relating to how Government and its agencies operate. In addition, there are changes to legislation which impact on operations and which have to be monitored. For example, the requirements under the *Transparency and Accountability Act* (to be proclaimed) as they apply to Government and all of its entities have to be considered by my Office in performing audits.