I urge the Members of the House of Assembly to give the Auditor General unrestricted access, in accordance with the *Auditor General Act*, to audit the accounts of the House of Assembly.

2.2 Framework of Accountability

There is no legislative requirement for all Government departments and Crown agencies to prepare and table strategic and operational plans in the House of Assembly or to table performance reports on their activities in comparison to these plans.

During 2002-03 all Government departments as well as 77 of the 85 Crown agencies had some form of annual report for 2001-02 tabled in the House of Assembly. While this represents a significant increase in the number of reports tabled over previous years, the reports that were tabled, in general, did not provide information on the performance of each entity in relation to its approved plans using established measurable criteria. As a result, the entities have not provided the information required to truly demonstrate their accountability to the House of Assembly.

A true accountability process would include more than the tabling of a performance report - it would also require the tabling of strategic and operational plans so that Members of the House of Assembly would have the information necessary to compare an entity's performance in relation to its goals and objectives.

2.3 Special Warrants

The common parliamentary means of providing spending authority to government is through the annual passing of supply acts. This involves having the Members of the House of Assembly vote on the government's funding requests before the spending authority is provided. Approval by a majority of the Members of the House of Assembly is needed to pass an Act.

Through the use of a "special warrant", Government can, without the prior debate and approval of the Members of the House of Assembly, spend public money.

During 2002-03, Government issued 12 special warrants totalling $24.2 million.

One special warrant for $4.0 million approved for the Department of Health and Community Services was issued on 24 March 2003 in contravention of the *Financial Administration Act* in that, in our opinion, there was no urgent requirement for the funds.

The Department of Mines and Energy obtained funding from a special warrant and, in contravention of the *Financial Administration Act*, transferred $45,600 from an account identified in the special warrant to an account within the Department not authorized in the warrant.

2.4   Creation of Crown Agencies and Borrowing without Authority

Crown agencies are generally created by the Legislature under some form of legislation to be an instrument for carrying out public policy on behalf of the Crown. This legislation generally provides authority and direction relating to the mandate, purpose, and responsibility of each entity.

Of the 80 Crown agencies which existed at 31 March 2003, 14 were created under the *Corporations Act* rather than by legislation enacted by the Legislature. If there is to be appropriate legislative control over the creation and operation of Crown agencies and if they are to be held accountable to the House of Assembly, then all Crown agencies should be created under the authority of the Legislature. An act of the Legislature would outline the mandate of a Crown agency and also state its purpose, authority and responsibility. In this way all Members of the House of Assembly would be aware of newly created Crown agencies.

The most recent financial statements of the 14 Crown agencies created under the *Corporations Act* disclosed that 5 of these entities had a total of $111.6 million in outstanding debt due to entities outside of the government reporting entity. If the enabling legislation of an agency does not provide specific authority for it to borrow funds or if it has been created under the *Corporations Act*, then the Crown agency does not have the legislative authority to borrow. The *Financial Administration Act* prohibits the raising of money by way of loan without legislative authority. As a result, these