

Of the 82 entities required to prepare annual financial statements, 29 (2002 -32) were audited by our Office while 51 (2002 -53) were audited by private sector auditors. Contrary to their governing legislation, the remaining 2 entities, the Memorial University Foundation and the Newfoundland and Labrador Occupational Therapy Board have never submitted audited financial statements.

As of 30 November 2003, the required audited financial statements had not been received from the private sector auditors for 8 of the 51 entities and the required management letters had not been received for 13 of the 51 entities. Furthermore, the majority of audited financial statements and management letters that were received from the private sector auditors were not received on a timely basis. On average, audits are completed and the auditors' reports signed within three months after the year end. However, in most cases the financial statements and related management letters are not received by our Office until another four months after the audit report date, and often only after follow-up by our Office.

The highlights from our review of audited financial statements and management letters of Crown agencies are presented in Part 2.6 of the *Report of the Auditor General to the House of Assembly on Reviews of Departments and Crown Agencies for the Year Ended 31 March 2003*.

## **2.7 Accounts and Loans Receivable in Government**

At 31 March 2003 Government was owed \$465 million of which \$218 million is considered to be uncollectible. Our review disclosed that Government has written off \$267 million owed to it during the past 12 years. In my opinion, Government does not do a good job of collecting amounts owed to it.

## **2.8 Avalon East School District**

District # 10 - Avalon East School Board has the largest student population of the 11 school boards in the Province. For the 2002-03 school year, the Board provided an educational program to 29,800 students in 65 schools located throughout the eastern Avalon Peninsula, from Holyrood, south to Peter's River and east. For the year ended 30 June 2003, the Board spent approximately \$21.1 million to acquire goods and services.

We completed a review in October 2003 of the acquisition of goods and services by the Avalon East School Board. Our review covered the period July 2002 to June 2003. The objective of our review was to determine whether the Board complied with the requirements of the *Public Tender Act* and *Regulations* in its acquisition of goods and services.

We found that the Board contravened the *Public Tender Act* and *Regulations* as follows:

- For 7 purchases totalling \$383,235, there were no public tenders.
- For 5 purchases totalling \$387,776, which were not tendered for a particular reason, the Minister, and therefore the House of Assembly, was not informed of these exceptions.
- For 2 purchases totalling \$164,676, the Board did not follow the spirit and intent of the *Public Tender Act* by issuing tender specifications which were so specific that competition was restricted.
- In 1 instance a tender valued at \$29,750 was awarded to a non-compliant bidder in that the contractor did not meet the tender specifications which required that snow clearing equipment have a minimum horsepower and capacity.
- For 9 purchases totalling \$44,490, the Board neither obtained three quotations nor provided documentation that a fair reasonable price was established.
- There were a number of issues relating to the lack of documentation required by the *Regulations*. For example, tender files did not always contain evidence of the day and time that a bid was received, whether the tenders were opened at the time advertised, and whether two people were present when the tenders were opened.

We identified 3 instances where the Board paid \$11,223 more than the required tender or quoted amount. As a result of our finding the Board subsequently recovered \$8,520 of this amount.

## 2.9 Avalon West School District

District # 9 - Avalon West School Board has the second largest student population of the 11 school boards in the Province. For the 2002-03 school year the Board provided an educational program to 9,571 students in 32 schools located throughout the western half of the Avalon Peninsula, from Southern Harbour, east to Holyrood and south to Peter's River. For the year ended 30 June 2003 the Board spent approximately \$8.7 million to acquire goods and services.

We completed a review in October 2003 of the acquisition of goods and services by the Avalon West School Board. Our review covered the period July 2002 to June 2003. The objective of our review was to determine whether the Board complied with the requirements of the *Public Tender Act* and *Regulations* in its acquisition of goods and services.

We found that the Board contravened the *Public Tender Act* and *Regulations* as follows:

- For 7 purchases totalling \$259,953, there were no public tenders.
- For 3 purchases totalling \$39,190, which were not tendered for a particular reason, the Minister, and therefore the House of Assembly, was not informed of these exceptions.
- For 3 purchases totalling \$87,525, the Board did not follow the spirit and intent of the *Public Tender Act* by issuing tender specifications in 2 instances which referred to a specific model and in 1 instance by issuing tender specifications which were so specific that competition was restricted.
- For 6 purchases totalling \$25,685, the Board neither obtained three quotations nor provided documentation that a fair and reasonable price was established.