

Chapter 1

Reflections of the Auditor General

This Chapter provides an introduction to the Report and provides a summary of certain issues identified by the Auditor General. The issues identified are as follows:

1. Accountability

In my opinion, Members of the House of Assembly are not being provided with the necessary information to assess Government's performance relative to goals and objectives outlined in a strategic plan. In my 2002 Report, I noted that only 1 of the 20 Government departments and 9 of the 83 Crown agencies had an annual report for 2001 tabled in the House of Assembly. Although it is encouraging that, during 2003, Government tabled annual reports for 2002 for all Departments and most Crown agencies, these annual reports did not provide the Members of the House of Assembly with information that they require. The annual reports, for the most part, provided financial information and information on activities - performance information in relation to approved plans was severely lacking. In addition, no strategic plans or annual operational plans were tabled in the House of Assembly.

I believe Government should have a legislative accountability framework which requires that all Government departments and Crown agencies table strategic and annual operational plans, and an annual performance report in the House of Assembly.

2. Legislation

There are two pieces of legislation which set rules relating to the financial operations of Government - the *Public Tender Act* and the *Financial Administration Act*. As in other years, my Office continues to identify instances where Government and its agencies have contravened these Acts.

I am concerned that Government continues to contravene the *Public Tender Act* and the *Financial Administration Act*.

3. Inspections

During the year we reviewed inspection programs related to Government's inspections of food premises, child care facilities and bridges. Inspections are required to be performed to gather sufficient information necessary to make a determination as to whether there is compliance with legislation and Government policy, and whether public health and safety is being compromised. Significant weaknesses were found in the inspection activities reviewed during the year.

I am concerned that Government is not doing a good job with its inspection activities. Government should ensure that sufficient inspections are conducted to make a determination as to whether there is compliance with legislation and Government policy, and whether public health and safety is being compromised.

Chapter 2

Comments on Audits and Additional Examinations

2.1 Audit of the House of Assembly

In May 2000, the *Internal Economy Commission Act* was amended so that the accounts of the House of Assembly were to be audited annually by an auditor appointed by the Commission of Internal Economy. As a result, my Office has not had access to the accounts and records of the House of Assembly since then and the expenditures of the House of Assembly have not been subject to audit for the past four fiscal years.

On 24 June 2003, a public accounting firm was appointed to audit the House of Assembly for the years ended 31 March 2002, 2003 and 2004. However, the audit was not completed before the Public Accounts of the Province were tabled in the House of Assembly.

The fundamental role of the Auditor General is to bring an independent legislative audit and reporting process to bear upon the review of all accounts of the Province and provides an increased level of accountability of Government. Therefore, by not allowing the Auditor General to audit the revenues and expenditures of the House of Assembly, accountability is diminished.