

2.36 Municipal Inspections

The *Municipalities Act* includes provisions for the monitoring of municipal activities, including the requirement to submit annual balanced budgets and audited financial statements, and requiring prior approval of long-term borrowing by the Minister of Municipal and Provincial Affairs .

Our review of municipal inspections by the Department of Municipal and Provincial Affairs indicated that the Department does not always receive budgets and financial statements of municipalities within the deadlines established under the *Municipalities Act*. Furthermore, the Department was not performing the annual municipal inspections in accordance with the *Act*. Although the Department implemented a new computerized Municipal Information Management System in 2002, not all information required for monitoring municipalities has been input into the system.

2.37 Inland Fish and Game Licences

The Wildlife Division of the Department of Environment and Conservation is responsible for the administration of inland fish and game licences in the Province. While the Division has overall responsibility for licensing, the Government Service Centres of the Department of Government Services, through an arrangement with the Division, distribute licences to vendors, receive payments from vendors for licences sold, and collect unsold licences from vendors for forwarding to the Division.

Over the eight years covered by our review, weaknesses in control have existed over the administration of inland fish and game licences. As well, licence fees due to the Province during that time have not been properly accounted for and amounts due from vendors have not been collected on a timely basis. While the Division has recently made some progress in dealing with these issues, I am concerned they had not been dealt with for such a significant period of time. I note that over this eight year period, both my Office and the Office of the Comptroller General have recommended several times that action be taken to address issues such as the increasing receivable balance, weaknesses in controls over receivables, and the absence of reliable information.

Our current review indicated that: documented policies and procedures were not in place and those informal policies which were in place were not always followed; licences were not issued in accordance with existing Departmental policy; responsibilities and accountabilities for the Government Service Centres were not documented; weaknesses in controls over recording accounts receivable from vendors have resulted in the Department being unable to determine accurate receivable balances for collection purposes; information on vendors and the details of the number and type of licences sold from year to year has not been maintained; and collection activity has been minimal. In June 2003, due in part to the lack of information supporting accounts receivable balances, the Department wrote off \$130,000 in receivables.

Effective 1 April 2004, Government implemented a prepayment system for issuing licences and directed the Department of Environment and Conservation to report back on the results of this change.

2.38 Government Owned Buildings and Properties

Government owned buildings are in need of significant repairs. In January 2004, the Department of Transportation and Works projected that it needed \$261 million over 20 years in order to keep Government's buildings maintained and to extend their useful life. Furthermore, the Department indicated that it needs \$173 million of the \$261 million within the next five years.

Officials at the Department have expressed concern about the lack of funding provided to maintain Government's buildings. These concerns date back as far as April 1998 when a Departmental review indicated that *"...the current dilemma is that there is insufficient money in the present budgets to perform the normal level of maintenance and improvements required, particularly on the exterior envelopes of buildings."* The review concluded that *"...40% of the buildings will encounter premature failure of major components or the building itself and will require replacement at an earlier time than the normal predicted economic life."*