

Preface

This document is presented as a summary 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 2005*. That Report contains approximately 560 pages of conclusions, commentary, recommendations and auditees' comments. This document contains summary information on each item included in the Report. When readers identify a topic of interest, we encourage them to read the relevant section in the Report.

Introduction

The *Report of the Auditor General to the House of Assembly on Reviews of Departments and Crown Agencies for the Year Ended 31 March 2005* was prepared in compliance with Section 12 of the *Auditor General Act*. Section 12 requires that the Report outline significant matters noted during the course of examining the accounts of the Province, agencies of the Crown and other entities which, in our opinion, should be brought to the attention of the House of Assembly.

Comments on the audit of the financial statements of the Province are contained in a separate report entitled *Report of the Auditor General to the House of Assembly on the Audit of the Financial Statements of the Province for the Year Ended 31 March 2005* which was submitted to the Speaker of the House of Assembly and released on 29 November 2005.

A report on the operations of the Office of the Auditor General for the year ended 31 March 2005 was submitted to the Speaker and released on 23 January 2006.

Chapter 1

Reflections of the Auditor General

This Chapter provides an introduction to the Report as well as an overview of specific issues identified by the Auditor General relating to:

- inconsistent compensation practices among Government entities;
- financial and administrative practices at the Central West Health Corporation, the Royal Newfoundland Constabulary, Memorial University of Newfoundland, and the Municipal Assessment Agency;
- management practices over the Newfoundland and Labrador Prescription Drug Program;
- the use of secondments in filling positions at the Department of Education;
- licensing, monitoring and inspecting personal care homes;
- the lack of Province-wide coverage for land based 911 emergency response services;
- registering and inspecting petroleum storage systems and enforcing compliance with environmental legislation;
- measures used to monitor the Income Support Program;
- depletion of the Labrador Transportation Initiative Fund;
- Government's investment in Icewater Seafoods Inc. and in a manufacturing company; and
- management of Government's vacant/surplus properties.

Chapter 2

Comments on Audits and Additional Examinations

2.1 Inconsistent Compensation Practices

The Public Service Secretariat indicates that the public sector has approximately 41,000 employees located throughout direct Government, the health authorities, the school districts and various Government entities such as Memorial University of Newfoundland and Newfoundland and Labrador Hydro.

There are many examples of inconsistent compensation practices among these Government entities. These inconsistent compensation practices relate to such items as salaries and termination benefits, leave, overtime, travel allowances and employee computer purchase plans.