

All departments, boards, agencies and commissions are using public money to compensate employees. Government is the ultimate employer of all public employees whether they work for Government departments or a Government entity. However, we continue to see that Government employees are not all compensated on a consistent basis. Furthermore, these inequities usually result in increased costs for Government.

## **2.2 Monitoring Agencies of the Crown**

A major role of the Office of the Auditor General is to monitor Crown agencies and provide information to the House of Assembly. Section 14 of the *Auditor General Act* requires the auditor of an agency of the Crown or a Crown controlled corporation to deliver to the Auditor General, after completion of the audit, a copy of the auditors' report, audited financial statements and recommendations to management. These financial statements and management letters along with our Office's audits of Crown agencies provide the basis for our monitoring of all Crown agencies.

Of the 77 (2004 -84) entities required to prepare annual financial statements, 30 (2004 -31) were audited by our Office while 45 (2004 -51) 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 15 December 2005, we had not received the audited financial statements and management letter for 1 of the 45 entities audited by private sector auditors, the Literacy Development Council of Newfoundland and Labrador. For the majority of the remaining 44 entities, we did not receive the audited financial statements and management letters from the private sector auditors on a timely basis. On average, audits are completed and the auditors' reports signed within 3 months after the year-end. However, in most cases, our Office does not receive the financial statements and related management letters until another 4 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 2.2 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*.

### **2.3 Memorial University of Newfoundland**

Memorial University of Newfoundland was founded in 1925 (as Memorial University College) and was granted university status in 1949. Today, the University's main campus and Marine Institute are located in St. John's, with other campus locations in Corner Brook (Sir Wilfred Grenfell College) and Harlow, England. Memorial is the largest university in Atlantic Canada, with 17,800 students engaged in full and part-time studies at under-graduate and graduate levels. Each year, the graduating class numbers in excess of 2,000 students. The University employs 950 full-time faculty and 850 sessional instructors, 2,300 administrative and support staff, plus 2,000 students in part-time jobs.

Conclusions from our review are as follows:

#### *Board governance*

The University is excluded from many of the requirements of the *Transparency and Accountability Act* (to be proclaimed). This *Act* is intended to hold Government departments and other Government entities accountable to Government and the House of Assembly.

Although my Office has been recommending for years that the University be included in the Province's Consolidated Summary Financial Statements, this has never happened. I am pleased to report, however, that Government approved consolidation of the University commencing with the 31 March 2006 Public Accounts.

The Chancellor, President, Chairperson of the Board of Regents, vice-presidents and other officers and employees of the University are not compellable to attend as witnesses before committees of the House of Assembly.