

Chapter 1

Introductory Comments

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Introductory Comments

New Auditor General appointed

1.1 I was appointed Auditor General on December 1, 2010. My predecessor, Mike Ferguson, CA, resigned effective November 30, 2010 to accept the position of Deputy Minister of Finance. I look forward to continuing to work with Mr. Ferguson as we take up our new roles, and wish to thank him sincerely for his contribution to the Province as Auditor General.

1.2 This volume of our Report deals with matters arising from our financial audits of the Province and its Crown agencies for the year ended March 31, 2010. During the conduct of these audits, I served as Comptroller of the Province and, in that role, I was responsible for, or to some extent involved with, much of the material that was being audited by the Office of the Auditor General. Hence, a number of the observations and recommendations in this Report were directed to me in my former position as the Comptroller.

1.3 The chapters in this volume of my Report were drafted prior to my arrival in the Office of the Auditor General. Except for this introductory chapter, I have not edited the chapters, or made any comments on the material since I became Auditor General. The chapters were managed to completion by the Deputy Auditor General, Ken Robinson, CA, whose work during this transitional phase has been much appreciated. However, I acknowledge that, as Auditor General, I am responsible to present this Report to the Legislative Assembly and, as Auditor General, I stand behind and fully support its contents.

Issues raised in prior years***Release of financial information***

1.4 I was pleased to see the government release the financial statements of the Province on August 13, 2010. This was a significant improvement on recent years, and well in advance of the September 27, 2010 election. I am hoping that the early release will set the pattern for future years. Financial information is most useful if it is timely.

Year end grant payments

1.5 There were no advanced payments of grants in either the 2009 or the 2010 fiscal years. This is a good thing, since the advanced payment of grants distorts the financial results for any given year, and makes year-to-year comparisons difficult.

Future oriented information

1.6 The government is still providing only limited information on its financial expectations. As we enter a period of significant restraint, with the prospect of large deficits, it is increasingly important that government explains clearly to its citizens what the situation looks like now, how it is expected to look in the future, and what plans it has to bring its revenues and expenses closer into balance. Government also needs to focus on managing and explaining its net debt, which is expected to increase significantly in the coming years, placing an increasing financial burden on taxpayers.

Public-private partnerships

1.7 My Office has begun a project to review a number of public-private partnerships entered into by government in recent years. Our objective is to assess whether such arrangements provide good value for money for the Province. I anticipate that my 2011 Report will contain the results of this work.

Information in this volume

1.8 This volume contains a lot of information including management letter recommendations we made as a result of our financial audits, the results of our information systems work, and detailed analysis of certain financial information.

1.9 It also contains, in chapter 5, our own accountability report. This chapter assesses our own performance against the indicators we established as part of our strategic planning process. It also points out our need for additional resources in order to continue to provide objective information useful to the Legislative Assembly.

Acknowledgements

1.10 My Office is grateful for the continuing cooperation we receive from government departments and agencies during the course of our financial audit work.

1.11 I want to thank all the staff of the Office for their professionalism and their dedication to the work they do. They are truly committed to our mission of promoting accountability in government.

A handwritten signature in black ink that reads "Kim MacPherson". The signature is written in a cursive, slightly slanted style.

Kim MacPherson, CA
Auditor General