OFFICE OF THE
AUDITOR GENERAL
MANITOBA

Web Site Version

Operations of the Office

for the year ended March 31, 2016

August 2016

Our vision

The Office of the Auditor General is an accessible, transparent and independent audit office, serving the Manitoba Legislature with the highest standard of professional excellence.

Our values

- Respect
- Honesty
- Integrity
- Openness

Our priorities

- Strengthen the management systems and practices of government organizations
- Provide Members of the Legislative Assembly with relevant information
- Manage our internal business effectively

Our critical success factors

- Independence from government
- Reliable audit opinions and conclusions
- Relevance of audit work performed
- Knowledge, skills and abilities of our staff

Web Site Version

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

August 2016

The Honourable Myrna Driedger
Speaker of the House
Room 244, Legislative Building
450 Broadway
Winnipeg, Manitoba R3C 0V8

Honourable Ms. Driedger:

I am pleased to present my report titled: *Operations of the Office for the year ended March 31, 2016*, to be laid before the Legislative Assembly in accordance with Sections 26(2) and 28 of *The Auditor General Act.*

Respectfully submitted,



Norm Ricard, CPA, CA
Auditor General

500-330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169
www.oag.mb.ca

Web Site Version

Table of contents

Message from the Auditor General 1

1. What we do 3

2. How we carry out our work 7

3. Critical success factors 13

4. What we delivered in 2015/16 21

5. Our planned activities for 2016/17 31

6. Internal business and financial results 33

7. Independent Auditors' Report and our financial statements 37

Appendices 43

Appendix A - The Auditor General Act 45

Appendix B –Listing of financial statement audits 54

Web Site Version

Message from the Auditor General

I am pleased to provide the Legislature with our annual *Operations of the Office for the year ended March 31, 2016* report.



In 2015/16 we began issuing reports on an individual basis rather than issuing a multi-chapter annual report. As a result we issued reports as follows:

July 2015 – WRHA's Management of Risks Associated with End-user Devices

July 2015 – Manitoba Home Care Program

January 2016 – Improving Educational Outcomes for Kindergarten to Grade 12 Aboriginal Students

We also issued follow-up reports in May 2015 and in May 2016 (both for recommendation statuses as at the previous June 30). Going forward we will be following-up recommendations as at September 30 each year. We are working hard to release our follow-up reports in a more timely fashion. As a result, we are intent on issuing our next follow-up report (with recommendation status as at September 2016) in February 2017.

Operationally, we continued to focus on the following critical success factors: independence from government, reliable audit opinions and conclusions, relevance of audit work performed, and the knowledge, skills and abilities of our staff. Key priorities include:

- pursuing legislative amendments to the Auditor General Act to provide the Office with independence from the Civil Service Commission and to strengthen our accountability to the Legislature.
- selecting project audits that examine matters of strategic importance to the Legislature and that more systematically cover all areas of the public service.
- developing a plan to migrate the Office towards conducting the financial statement audits of government entities that are of greater strategic importance to the Legislature thus maximizing the value of this work.
- identifying the actions needed to properly respond to feedback from our staff provided to us in a comprehensive staff engagement and satisfaction survey.

I would like to thank all of my staff members for their relentless pursuit of opportunities to strengthen Manitoba's public service.



Norm Ricard, CPA, CA
Auditor General

Web Site Version

Our Team



Back row: David Storm, Brendan Thiessen, Erroll Kavanagh, Jon Stoesz, Ryan Riddell, Chris Nowell, Grant Voakes, Jo Johnson

Second row: Adam Muirhead, Robert Ivison, Lisa Selchen, Tiffany Locken, Larry Lewarton, Shirley Richardson, Melissa Emslie, Natalie Bessette-Asumadu, James Wright

Third row: Ye Tu, Kelsey Wainwright, Jeff Gilbert, Bradley Keefe, Fraser Mclean, Maria Capozzi, Brittany Hilton, Gene Edwards, Susan Hay

Front row: Wendy Tang, Arlene Nebrida, Shondell Babb, Greg MacBeth, Tyson Shtykalo, Norm Ricard, Sandra Cohen, Brian Wirth, Dingding Song, Phil Torchia, Nicole San Juan

Missing: Bryden Boyechko, Shane Charron, Graham Hickman, Benjamin Janzen, Jannatul Fardosh, Dallas Muir, Ken Nero, Jacqueline Ngai, Jan Smith, Reema Sohal, Jim Stephen, Erika Thomas, Melanie Torre-Cabacungan

Web Site Version

1. What we do

As an officer of the Legislative Assembly, the Auditor General provides the Manitoba Legislature with independent audit reports on accountability information and on government operations.

Our mandate

The Auditor General Act (Act) establishes the Auditor General "as an officer of the Assembly, to provide the Assembly with independent information, advice and assurance under this Act." A copy of the Act is in **Appendix A**.

The Act outlines the Auditor General's responsibilities and authorities to conduct and report on:

- financial statement audits (Section 9).
- project audits, including special audits on request (Sections 14, 15, 16).

Section 2(2) of the Act indicates that, when conducting financial statement and project audits, "Nothing in this Act is to be interpreted as entitling the Auditor General to question the merits of policy objectives of government."

Financial statement audits

The Auditor General is responsible for examining and auditing the financial statements included in the Public Accounts under *The Financial Administration Act*, and any other statements the Minister of Finance presents for audit.

The Auditor General is also responsible for examining and auditing public money that is not part of the Consolidated Fund, unless an Act provides otherwise. In 2015/16 we conducted financial statement audits for 21 entities within the government reporting entity (13 because their Acts specify that the Auditor General is the auditor of the organization). All other public sector entities within the government reporting entity are audited by external audit firms.

Although not part of the government reporting entity, we also audit 5 pension plans and 2 other organizations. The Acts for 3 of these pension plans, and both other organizations, appoint the Office as their auditor.

The **government reporting entity** includes all funds, organizations, and business enterprises controlled by the government. These entities are listed in the Province's Public Accounts Volume 1.

See **Appendix B** for a listing of financial statement audits conducted by us and **section 4** for a more detailed discussion of the financial statement audit service line.

Web Site Version

Project audits

In conducting project audits, the Auditor General can examine and audit the:

- operations of a government organization (Section 14)**.**
- use of public money by recipients of public money (Section 15).

> We use the term **project audit** to include the following types of audits: performance, investigations (including special audits), information technology and governance.

Project audits are designed to examine any of the following matters:

- financial and administrative provisions of Acts, regulations, policies and directives have been complied with.
- public money has been spent with proper regard for economy and efficiency.
- the Legislative Assembly has been provided with appropriate accountability information.
- the form and content of financial information documents is adequate and suitable.

To select project audits, we consider a number of factors, including the significance of the subject matter, potential impact of our audit work, public interest, and staff availability.

Section 16 of the Act permits the Lieutenant Governor in Council (Cabinet), the Minister of Finance, or the Public Accounts Committee to request a **Special Audit** of the accounts of a government organization, recipient of public money or other person or entity that in any way receives, pays or accounts for public money. We must accept these requests unless they interfere with our primary responsibilities. This is an important opportunity for the Legislature to use the skills in our Office.

See **section 4** for a more detailed discussion of the project audit service line.

What we strive to achieve

We recently began a strategic planning process. We will be revisiting our:

- vision, mission, operating priorities, and desired outcomes (defined below).
- operating principles **(section 2)**.
- critical success factors **(section 3)**.

Our vision

The Office of the Auditor General is an accessible, transparent and independent audit office, serving the Manitoba Legislature with the highest standard of professional excellence.

Our mission

To provide the Legislative Assembly with high quality audits and recommendations, and to focus our resources on areas of strategic importance to the Assembly.

Web Site Version

Our operating priorities

To support the realization of our vision, we adhere to our operating principles **(section 2)**, manage 4 critical success factors **(section 3)**, and focus on the following operating priorities:

1. Strengthen the management systems and practices of government organizations.
2. Provide Members of the Legislative Assembly with relevant and useful information on the performance of government entities.
3. Support the Public Accounts Committee in its efforts to improve the performance of government organizations.
4. Manage our internal business efficiently, effectively and economically.

A discussion on what we have accomplished in relation to priorities 1, 2 and 3 is contained in **section 4**, and for priority 4 in **section 6**.

Our outputs

Our outputs include reports to the Legislature, audit opinions, audit advice, and management letters. Beyond providing observations and recommendations, our reports identify good management practices and lessons relevant to public sector organizations.

Our desired outcomes

In providing quality services and products to the Legislative Assembly, we believe we are contributing toward the following outcomes:

- government organizations that focus on results.
- government organizations that produce meaningful, user-friendly performance reports for the public.
- a Public Accounts Committee that closely monitors the spending of public funds.

Web Site Version

2. How we carry out our work

To be effective the Office must manage its affairs in an appropriate manner. In this section we discuss our:

- Operating principles.
- Office structure.
- Reporting obligations.
- Budget and expenditure management practices.
- Human resource management practices.
- Information technology.

Operating principles

Our operating principles guide how we conduct our business, both externally and internally.

Independence and objectivity

Being independent and objective means being free of influence, conflict of interest and bias.

See our **critical success factor** discussion on **Independence from government** in section 3.

The Office requires annual conflict of interest declarations from all its staff members and manages all audit jobs to ensure assigned staff have no conflicts or that conflicts are appropriately mitigated.

Balanced perspective

Within the context of our audit objectives we report on strengths as well as weaknesses.

Teamwork

We work together cooperatively and in a coordinated manner to achieve a common goal.

Accountability

We are each accountable for the quality and quantity of our individual contributions to the products and services we provide.

Web Site Version

Valuable work

We provide the Legislative Assembly with reports on significant programs and promote efficient and accountable government.

See our **critical success factor** discussion on **Relevance of audit work performed** in section 3.

Professional excellence

We maintain sound audit methodology and meet the professional standards for the types of audits we conduct.

See our **critical success factor** discussion on **Reliable audit opinions and conclusions** and **Knowledge, skills and abilities of our staff** in section 3.

Financial Stewardship

We make only defensible expenditures and seek to maximize the value obtained from every dollar spent.

Honour our values

We conduct ourselves in a manner consistent with our values of respect, integrity, honesty, and openness.

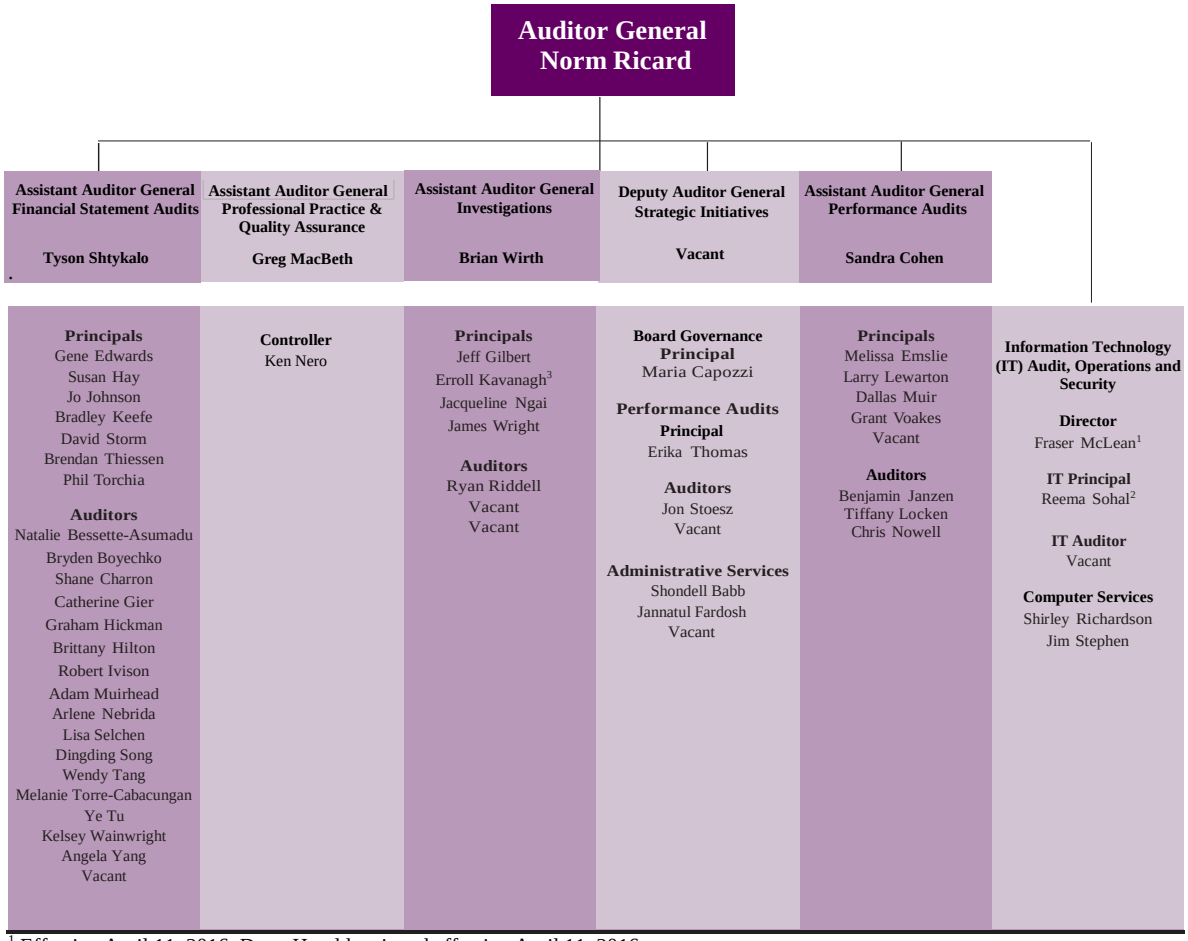
Office structure

The Office employed approximately 51 regular staff during the year and was organized into 6 service groups (see **Figure 1**).

While all staff are assigned to a service group, the cyclical nature of workflows provides opportunities for staff members to participate in audits within other service groups. This integration of skills and knowledge ensures more effective results than could be achieved if each service group operated in isolation.

Web Site Version

Figure 1: Organization chart as at March 31, 2016



[1] Effective April 11, 2016. Doug Harold resigned effective April 11, 2016.
[2] Effective April 11, 2016.
[3] On secondment from the Department of Finance.

Web Site Version

Reporting obligations

The most publically visible aspect of how we conduct our work is the release of our reports. Several sections of our Act deal with our reporting obligations:

Audit of Public Accounts and other financial statements

- Section 10(1): "No later than December 31 in each year, the Auditor General **must** report to the Assembly about the examinations and audits conducted under section 9."

Special report

- Section 11: "The Auditor General **may** make a special report to the Assembly on any matter of pressing importance or urgency that he or she considers should not be deferred until the next annual report under section 10 is presented."

Project audits

- Section 14(4): "The Auditor General **must** report to the Assembly annually on the work carried out under this section, and may bring to the Assembly's attention anything he or she considers necessary, including recommendations."
- Section 14(2): "At least once in each year, the Auditor General **shall** make a report about the examinations and audits conducted under this section to the minister responsible for each government organization concerned and to the Minister of Finance. The Auditor General must allow at least 14 days for those ministers to review and comment on the report before finalizing it for submission to the Assembly."

Special audits

- Section 16(2): The Auditor General **must** report the findings of an audit under this section to the person or body that requested the audit and to the minister responsible for any government organization concerned.
- Section 16(3): "The Auditor General **may** submit a report of an audit under this section to the Assembly if it is in the public interest to do so, but must allow at least 14 days for the minister responsible for the government organization and the Minister of Finance to review and comment on the report before finalizing it for submission to the Assembly."

Operations of the Office

- Section 26(2): "Before August 1 each year, the Auditor General **must** report to the Assembly on the operations of his or her office."

All of our reports are tabled in the Legislative Assembly by the Speaker, and are permanently referred to the Public Accounts Committee, an all-party Standing Committee of the Legislature. During its meetings, the Committee considers our audit reports, questions witnesses, and when it has finished deliberating, passes our reports (meaning that the Committee has no further questions).

Web Site Version

In **section 4** we discuss our role in Public Accounts Committee meetings.

Budget and expenditure management practices

The Legislative Assembly Management Commission, an all-party Legislative Commission, reviews and approves our annual budget. Under Section 27(3) of *The Auditor General Act*, the money required by the Office is paid out of the Consolidated Fund through the appropriation for the Legislative Assembly. Annually, the Auditor General presents to the Commission an estimate of the money required for the upcoming year.

To maintain an appropriate separation between our financial records and those of the government, we maintain our own accounting system and bank account to record and pay our operating expenses. As needed, we draw advances up to the annual amount approved by the commission. At the end of the year, any undrawn amount is considered lapsed and returns to the Consolidated Fund.

All staff employed by the Office are paid through the government's payroll system.

The expenditures of the Office are reflected in the Public Accounts of the Province. On a monthly basis, we provide the Province with a detailed transaction spreadsheet so that Office expenditures can be recorded within the Public Accounts.

In **section 6** we present our financial results.

Human resource management practices

The Legislative Assembly Management Commission approves the number of staff resources assigned to the Office, currently set at 55 full-time equivalent (FTE) positions (2 of which are term positions). Because our staff are hired under *The Civil Service Act*, the human resource policies and practices of the Civil Service Commission and the classification and compensation rules of Treasury Board Secretariat are imposed on our Office. As such, the Civil Service Commission oversees our hiring efforts, and the Labour Relations Division of Treasury Board Secretariat oversees the classification of our positions and related compensation decisions. (See our critical success factor discussion on independence from government in **section 3.**)

All of our managers, senior auditors, auditors and certain corporate support positions are represented by the Manitoba Government Employees Union. Of note is that all of our senior management positions (Principals) who are not Chartered Professional Accountants with the legacy designation of Chartered Accountants (CPA, CA) are also represented by the Union. All other positions in the Office, including Principals who are CPA, CA's, are excluded from Union membership. The provisions of the collective agreement between the Government and the Union define the terms and conditions of employment for staff of the Office who are Union members.

We have developed a competency model for all of our audit professionals and have implemented a revised performance management system that focuses, for each position, on standardized performance objectives and core competencies.

Web Site Version

Disclosures, and the *Public Interest Disclosure (Whistleblower Protection) Act*

The Public Interest Disclosure (Whistleblower Protection) Act (PIDA) is one avenue for employees to disclose concerns about significant and serious wrongdoing within the workplace. Our Office has identified a Designated Officer for employee disclosures under PIDA.

In the past fiscal year, the Office received no disclosures under PIDA, and no PIDA-related disclosures were brought to our attention by the Manitoba Ombudsman, nor were any investigations conducted. Further, no disclosures outside of PIDA were received.

Information technology

The Office operates its own computer network. Two staff members ensure our network operates reliably and securely, our various software tools are regularly updated and supported, and our hardware functions properly and is renewed at appropriate intervals. We continuously review and update our information security practices.

Web Site Version

3. Critical success factors

We have identified 4 factors critical to the Office's success. These factors are:

- independence from government.
- reliable audit opinions and conclusions.
- relevance of audit work performed.
- knowledge, skills and abilities of our staff.

Independence from government

Above all else, the Office must be, and be perceived to be, independent from government and the government organizations we audit.

The Office's independence from government helps ensure we can manage our mandate effectively. It enables us to examine, without interference or conflict, any key issues or areas of concern. It keeps the Office from being influenced by political or other external pressures that may deter us from conducting certain audits. It also makes it possible for us to report what we find and what we believe are fair conclusions even if the government or government organization disagrees with our conclusions or recommendations. This is a great responsibility that is fundamental to our role in helping the Legislative Assembly hold the government accountable.

A long unresolved matter impacting our actual and perceived independence from government is our relationship with the Civil Service Commission and the Labour Relations Division of the Treasury Board Secretariat. This was discussed at length in our *Operations of the Office for the year ended March 31, 2014* report to the Legislative Assembly and again in our March 31, 2015 report.

Enabling the Office to function independently of the Civil Service Commission and Treasury Board Secretariat will likely require amendments to various Acts, including *The Auditor General Act*. Such amendments should:

- explicitly grant to the Auditor General all necessary authorities to hire, set wages and set the terms and conditions of employment for staff needed to carry out the Auditor General's mandate.
- require compliance by the Auditor General with a classification system that sets salary levels comparable to those in the Manitoba civil service.
- require annual accountability by the Auditor General to the Legislative Assembly on how authorities related to the management of human resources were exercised.

As part of our 2016/17 budget submission to the Legislative Assembly Management Commission, once again we requested an additional staff position for a newly created position that would be responsible for our corporate support services (excluding computer services) with a significant focus on human resource management services. Such a position is needed to help us proactively manage human resources, ensure we appropriately deal with any human resource issues that may arise, liaise with the Civil Service Commission and Treasury Board Secretariat on staffing matters, and free up executive time so they can focus on their audit responsibilities. Ultimately any legislative amendment that provides the Auditor General with full authority over

Web Site Version

its staffing decisions, as noted above, would require such a position. Unfortunately, this request was denied by the Legislative Assembly Management Commission.

In 2016/17 we will continue to seek amendments to legislation that would grant the Auditor General the staffing authority needed to function independently of the Civil Service Commission and the Treasury Board Secretariat.

Office staff should not be represented by the same union representing most government employees.

As noted in **section 2** about half of the Office's staff are represented by the Manitoba Government Employees Union. While we respect the right of our employees to organize, having our staff represented by the Manitoba Government Employees Union is problematic for two reasons:

- In addition to the Office being directly impacted by Civil Service Commission and Treasury Board Secretariat decisions related to hiring, classification and compensation, the Office must also comply with the provisions of the collective agreement between the government and the Union. In our view, this compromises our independence from government.
- Given that the Office is responsible for auditing all government departments, including the Civil Service Commission and Treasury Board Secretariat, this arrangement means that our unionized staff, where required by an audit objective, would have access to confidential documents related to labour relations. This is information that is generally not accessible by union members. This creates a conflict of interest situation for our assigned staff.

Appendix A to the Collective Agreement includes guidelines that are to be considered when negotiating classification exclusions. We have attempted during the last three collective bargaining sessions to have our staff excluded using the guidelines in the Collective Agreement. All three requests were rejected.

In conversations with select staff within the Civil Service Commission, the Treasury Board Secretariat, and long serving members of our Office, we were unable to determine the rationale or logic for the representation of Office staff by the Manitoba Government Employees Union. Knowledge of how it came to be is effectively lost.

Of particular note is that staff employed by Manitoba Internal Audit, a branch within the Department of Finance, are excluded. We agree that Internal Audit staff should not be represented by the Manitoba Government Employees Union because of their access to confidential labour relations information. This is **one** of the reasons why we believe our staff should be excluded.

We are continuing to explore opportunities to resolve this structural issue.

Web Site Version

Reliable audit opinions and conclusions

Our opinions and conclusions are reliable when they are based on sufficient appropriate audit evidence and sound professional judgments. We do this by having have a strong quality control program.

Key aspects of our quality control program include:

- staff that are qualified and that continuously update their professional skills.
- audit manuals that guide audit staff in conducting audits that comply with Office policies and professional standards.
- supervision and review throughout the audit process to ensure conclusions are supported by sufficient appropriate audit evidence, reports are fair and balanced, and Office policies and professional standards are met.
- obtaining independent quality assurance reviews of files and reports:
    - The Chartered Professional Accountants of Manitoba routinely conducts inspections of audit firms involved in the practice of public accounting as defined in the General Provisions of its By-laws. Although we are not an audit firm and as such are not required to undergo an inspection, we voluntarily participate in this process. In April 2015, the Institute conducted an inspection of the Office's financial statement auditing practice and concluded that we are operating in a manner consistent with professional standards. The next inspection is scheduled for 2018.
    - We participate in peer reviews facilitated by the Canadian Council of Legislative Auditors (see page 19). In 2015/16, one review was conducted (a financial statement audit file). We received a report which stated that the audit engagement was carried out, in all significant respects, in accordance with the assurance standards of CPA Canada.

Relevance of audit work performed

For our work to benefit the Manitoba Legislature, we must ensure that our reports are meaningful to the Members and to the public. We do this by ensuring our audits deal with significant public sector issues and by communicating our audit results clearly.

Project selection process

There are far more programs, functions and activities within the government reporting entity than we have the resourcing capacity to audit in a year or even over several years. It is therefore crucial that we focus our audit work on areas of strategic importance to the Legislative Assembly.

We strive to be aware of areas of strategic importance to the Province and to the public service in general. For instance, we maintain contact with Members of the Legislature and government officials, hold discussions with members of the Public Accounts Committee, monitor Hansard

Web Site Version

and media reports, and maintain contact with our colleagues in other jurisdictions and various professional associations.

In 2015/16 we refined our project selection process. Our initial goal is to ensure that we conduct project audits in all areas of government, what we refer to as audit universe coverage. To do this, we created 6 groups (sometimes referred to as sectors) and assigned all government departments and crown entities to a group.

For each group, we have identified potential audit topics based largely on the knowledge and experience of our staff members. We are in the process of identifying priority projects for each group, using a number of selection factors that we believe are most relevant and will help ensure our projects are of strategic importance to the Legislative Assembly. Project priority assessments will be reviewed annually.

Going forward, for each future year's project audit program, we will be selecting at least one priority project audit from each group. Overlaid on this process will be a continuing focus on IT and governance topics, with at least one IT and one governance project on the go at all times.

Allocation of staff resources

A key decision for the Office is the percentage of our resources to devote to financial statement audits versus project audits. The current allocation is affected by the priorities of the Auditor General, the number of Section 16 audits the Auditor General is asked to conduct, and the Acts of various organizations that appoint the Auditor General as their financial statement auditor.

For the past several years, our goal has been to spend equal time on financial statement audits and on project audits (see **Figure 2** for actual results). This allocation enables us to present the Legislature with a wide array of project audits while meeting our statutory obligations to conduct specified financial statement audits. The use of agents to conduct financial statement audits on our behalf helps us move toward a more equal allocation as we are able to redeploy some financial statement audit staff to work on projects (see **section 4**).

Figure 2: Allocation of staff time to audits

	2011/12	2012/13	2013/14	2014/15	2015/16
Financial statement	52%	53%	57%	49%	54%
Project audits	48%	47%	43%	51%	46%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

We believe that a 50/50 split continues to be an appropriate target.

Web Site Version

Selecting financial statements to audit

We are concerned that our time spent on financial statement audits is not focused on the best mix of entities. Many of the financial statement audits we perform are the result of a legislative requirement, rather than importance or significance within the government reporting entity. As noted below, we believe that this has resulted in office resources being used to audit entities that may be considered of lower importance relative to other government entities.

Figure 3 shows by expense level (a measure of importance) the financial statement audits we conduct versus those conducted by external auditors. Of the 6 financial statement audits that we conducted for entities with expenses in excess of $250 million, 2 were flow-through funding entities (the Manitoba Health Services Insurance Plan and the Public Schools Finance Board). The primary purpose of these entities is to fund other government entities. As a result, the usefulness and relative importance of these financial statements is limited.

Figure 3: Financial statement audit responsibility

Expenses (in millions)	**Auditor General**	**External auditor**
$0 to $5	7	34
$5 to $50	6	74
$51 to $250	2	20
Greater than $250		
• **Flow through entities**	2	0
• **Government business enterprises (ie. Hydro, MPI)**	0	4
• **Other**	4	4
Total	**21**	**136**

We are required to conduct the audits of 3 pension plans (the Civil Service Superannuation Plan, the Teachers' Retirement Allowances Fund and the Legislative Assembly Pension Plan). We audit 2 other pension plans because of their association with an organization within the government reporting entity. Pension plans are not part of the government reporting entity. As such, the time needed to audit these funds may not be of strategic importance to the Legislative Assembly (of note, however, is that the Office does bill the pension plans for our services and returns the revenue to the Consolidated Fund, passing the cost of the audit on to the pension plans).

Web Site Version

Figure 4 shows the number of pension plan financial statement audits we conduct versus those conducted by external auditors.

Figure 4: Pension plan audit responsibility

Auditor General	5
External Auditor	6
Total	**11**

We are working on an analysis to identify which financial statement audits we should conduct because of their strategic importance to the Legislative Assembly. As part of our strategic planning process, we will develop an action plan to move us toward this more optimal mix of financial statement audits.

Knowledge, skills and abilities of our staff

The quality of our work depends on the knowledge, skills and abilities of our staff. To succeed, we need to recruit and retain qualified professionals, invest in professional development, and provide a work environment that maximizes opportunities for our staff to exercise and develop their skills while enabling them to maintain a proper work-life balance.

Most audit staff are Chartered Professional Accountants (CPAs). Other certifications held by some of our staff are: Master in Public Administration, Certified Government Auditing Professional, Certified Internal Auditor, Diploma in Investigative and Forensic Accounting, Certified Fraud Examiner, Certified Information Systems Security Professional, and Certified Information System Auditor.

Training future accountants

We support students seeking a professional accounting designation and are recognized by CPA Manitoba as an audit training office. Our Student Recruitment and Development Committee offers motivated, knowledgeable and engaged mentors to assist our accounting students as they transition from the academic world into the accounting profession.

We take great pride when our students achieve their academic goals. In September 2015 we had one student write and pass the uniform final examination. We currently have one student. He will write his common final exam in September 2017.

Professional development for all our staff members

Every year our Professional Development Committee prepares a program of in-house training sessions for all our audit staff. Committee members come from all staff levels and service groups. The committee's primary focus is to determine and deliver the training sessions and workshops

Web Site Version

that staff believe would benefit them on-the-job. In addition, the Executive Committee may direct that the Professional Development Committee organize a workshop, typically using external resources, to satisfy a strategic office-wide training need.

Supplementing the role of the Professional Development Committee is the expectation that all staff will manage their own skills development and monitor their progress against the competency model developed by the Office. Training needs identified by a staff member are discussed and reviewed with their executive member. Training requests are approved if they are consistent with Office priorities and our competency model, costs are reasonable and allocated training dollars are available. Every effort is made to ensure that staff assignments also contribute to their professional growth.

Staff frequently attend development activities offered by the following organizations: CPA Manitoba, CPA Canada, Institute of Internal Auditors, Financial Management Institute, Institute of Public Administration of Canada, Institute of Corporate Directors, the Association of Certified Fraud Examiners, the CCAF and the Canadian Council of Legislative Auditors.

The Canadian Council of Legislative Auditors (see description below) is in the process of developing legislative audit office training curricula for financial statement, performance (project) and IT auditors and for soft skills development. Select senior staff members have been assigned to each of the Council committees developing these curricula. We intend to develop a training program for all our professional auditors based on these curricula.

It is also essential that our corporate services staff have access to ongoing training and development. These training opportunities are identified by both the corporate services staff member and their immediate supervisor. We support and encourage both technical and soft skills training for our corporate services staff.

The Canadian Council of Legislative Auditors

The Office is a member of The Canadian Council of Legislative Auditors, which consists of the Auditors General from each jurisdiction across Canada. We meet twice a year to discuss emerging issues and share practices in carrying out our mandate as legislative auditors. The Council has established several working committees and groups (listed below), and many of our staff participate in these. Sitting on these committees and groups gives us access to the knowledge, information, and expertise of professionals in other legislative audit offices.

Web Site Version

In 2015/16, we ensured that at least one staff member participated on each of the Council's committees and groups.

Committee	Group
Strategic Matters	Education
Training Oversight-Financial Statements	Environment, Energy & Natural Resources
Training Oversight-Performance Audits	Governance
Peer Review	Health
Human Resources	Justice
Information Technology Audit Infrastructure	Information Technology Administration

In 2011, the Auditors General of each province entered into a memorandum of understanding with the Office of the Auditor General of Canada to benefit from the services of a National Professional Practices Group. This Group provides us with accounting and auditing advisory services and training support, on an as-requested basis.

Employee Engagement and Satisfaction

We seek to retain our staff by keeping them engaged and professionally challenged and by supporting work-life balance. We formally gauge how well we are doing by monitoring our turnover and by periodically conducting employee satisfaction surveys. In early 2016, we conducted a staff engagement and satisfaction survey. Our survey is discussed in greater detail in section 6. Overall, we believe the survey results (and our low turnover rates) speak well of our efforts to ensure staff are engaged and challenged and that we are effectively supporting work/life balance.

Web Site Version

4. What we delivered in 2015/16

In support of our operating priorities 1, 2 and 3 we deliver services primarily along the following lines:

- financial statement audits.
- project audits.
- attending Public Accounts Committee meetings.
- following-up on the implementation of our recommendations.

For a discussion on our fourth operating priority see section 6.

Operating Priorities 1, 2 and 3

1. Strengthen the management systems and practices of government organizations.
2. Provide Members of the Legislative Assembly with relevant and useful information on the performance of government entities.
3. Support the Public Accounts Committee in its efforts to improve the performance of government organizations.

Financial statement audits

Strong financial stewardship by government organizations is critical. We support effective financial accountability through our annual audits of the financial statements and other financial information of government organizations and the Public Accounts of the Province.

In 2015-16 the Office completed the following number of work products:

Work product	Conducted by			
	Office		Agent	
	15/16	14/15	15/16	14/15
Financial statement audit opinions – organizations within the GRE (see Appendix B)	10	10	11	13
Reviews of audits conducted by external audit firms – organizations within the GRE	8	8	-	-
External auditor communications	136	130	-	-
Financial statement audit opinions – organizations outside GRE (see Appendix B)	5	7	2	1
Compliance opinions	1	2	1	2
New management letter recommendations	14	18	7	6
Follow-up of previous years' management letter recommendations	85	123	33	49
Audit opinions on other financial information (including public sector compensation disclosures)	13	20	12	16

In September 2015, we issued our audit opinion on the Province's Summary Financial Statements (SFS) for the year ended March 31, 2015. We stated that the SFS presented fairly, in all material respects, the Province's financial position and results of operations and cash flow in accordance with Canadian public sector accounting standards.

Web Site Version

In 2015/16, we issued 21 auditor's reports on financial statements within the GRE, 10 where we performed the work directly, and 11 where we engaged an external audit firm as our agent. Six of the 21 organizations had expenses greater than 250 million.

In conducting our audit of the Summary Financial Statements, we are involved in varying degrees with the audit of every entity in the government reporting entity (GRE). When our Office is not the auditor of an entity, we either conduct overviews or limited procedures on the audits performed by an external auditor.

- We performed overviews of 8 audits conducted by external audit firms. The overviews were conducted on the audits of 4 GBEs, 2 RHAs and 2 School Divisions. We communicated with each external auditor and informed them that we planned to use their audit work as part of our audit evidence in forming our opinion on the Summary Financial Statements. We reviewed the external audit firms' risk assessments, audit plans and audit approaches. At the end of the audits, we reviewed the audit files and obtained the financial statements, auditors report, summary of unadjusted errors and the management letter. We also attended audit committee meetings at the planning and finalization stages of the audits.

- We performed limited procedures on audits of 136 entities in the GRE that were performed by external audit firms. We communicated with each external auditor and informed them that we planned to use their audit work as part of our audit evidence in forming our audit opinion on the Summary Financial Statements. For these entities, we obtained the financial statements and audit opinions. As needed, we worked with the external auditors if there were specific issues with the entity or sector.

We also conducted 7 audits of entities that were not directly related to our work on the Summary Financial Statements. These entities are not in the GRE. We conducted 5 of these audits (including 3 pension plans) because an Act or Regulation requires us to perform the audit. The other 2 audits were associated with entities where we are appointed auditors by an Act. As noted in Section 3, we are working on an analysis to identify which financial statement audits we should conduct because of their strategic importance to the Legislative Assembly. One consideration will be whether entities that are not in the GRE are of strategic importance to the Legislative Assembly.

We also issued several management letters that included recommendations on improving internal controls or other management systems. These letters were also provided to those charged with governance. In 2015/16, we issued 21 new management letter points, and followed up on 118 management letter points from prior years. We consider management letter points in our process for identifying issues that should be brought to the attention of the Assembly.

We issued 13 audit opinions on other financial information such as public sector compensation and schedules supporting claims. This has decreased from the prior year because we have begun the process of declining audits that we do not believe are of strategic importance to the Legislative Assembly. These actions will free up some of our financial statement audit resources for more strategic assignments.

Web Site Version

Project audits

Project audits consist of performance audits, investigations (including special audits), information technology audits, and governance reviews.

Performance audits

A performance audit is an independent, objective and systematic assessment of how well government is managing its activities, responsibilities and resources. Performance audits contribute to a public service that is effective and a government that is accountable to the Legislative Assembly and Manitobans. Performance audits do not question the merits of government policies. Rather they examine the government's management practices, controls, and reporting systems based on its own public administration policies and on best practices. Some of our performance audits are cross-government. For example, we may examine a given topic of strategic importance across departments or across other types of government organizations, such as crown corporations.

Performance audits are planned, performed, and reported in accordance with professional auditing standards and Office policies. They are conducted by qualified auditors who:

- establish audit objectives and criteria for the assessment of performance
- gather the evidence necessary to assess performance against the criteria
- report both positive and negative findings
- conclude against the established audit objectives
- make recommendations for improvement when there are significant differences between criteria and assessed performance

During 2015/16 the following audits were in progress:

- Management of Provincial Bridges
- Management of Manitoba's Apprenticeship System
- East Side Road Authority
- MRI Scan Management
- Student Financial Aid Information System

Web Site Version

The following performance audit reports have been issued since 2009:

Date	Audit Reports
January 2016	Improving Educational Outcomes for Kindergarten to Grade 12 Aboriginal Students
July 2015	Manitoba Home Care Program
March 2014	Lake Manitoba Financial Assistance program: Parts C and D Managing the Province's Adult Offenders Waiving of Competitive Bids (cross-government audit)
January 2013	Manitoba Early Learning and Child Care Program Manitoba eHealth Procurement of Contractors Senior Management Expense Policies (cross-government audit)
January 2012	Food Safety MPI – Personal Injury Protection Plan Special Needs Education Taxation Division, Audit Branch
May 2011	Manitoba's Participation in Canada's Economic Action Plan
December 2010	Managing Climate Change Economic Development: Loans and Investments under The Development Corporation Act
November 2009	Meeting Manitoba's Obligations Under the 1997 Treaty Land Entitlement Framework Agreement Personal Care Homes Program Assessment Services Branch

Investigations

The typical reason for an investigation is to confirm or dispel allegations. In addition to investigating the allegations, these projects incorporate value-for-money considerations. Team members are experienced forensic accountants who find out what happened and why, and then recommend how to avoid similar situations.

The investigations team will typically also conduct any requested Section 16 Special Audits that the Auditor General agrees to conduct. In 2015/16, we worked on 2 special audits.

Matters are brought to our attention throughout the year by concerned citizens, public servants and members of the Legislative Assembly. During 2015/16, 50 such matters came to our attention (2014/15: 58 matters). We conduct a preliminary assessment of all such matters to

Web Site Version

determine which ones are within our mandate and which ones are better investigated by another organization, such as the Office of the Ombudsman.

Concerns received were handled as follows:

Concerns received from the public	2013/14	2014/15	2015/16
Full audit conducted or in progress	5 (resulting in 2 audits)	4 (resulting in 2 audits)	-
Limited scope audit conducted or in progress	4	3	1
Referred the concern to another organization	8	8	10
Waiting for additional information	5	2	3
Added to our list of potential audits (limited or full)	9	8	8
No action considered necessary	26	16	16
Not within our mandate, no further action taken	8	14	10
Sub-Total	**65**	**55**	**48**
Audit requests/concerns received from Members of the Legislative Assembly (excludes Section 16 requests)			
Full audit conducted or in progress	3	-	-
Referred the concern to another organization	-	-	1
Added to our list of potential audits	1	2	1
No action considered necessary	-	1	-
Sub-Total	**4**	**3**	**2**
TOTAL	**69**	**58**	**50**

Web Site Version

During 2015/16 the following projects were in progress:

- Management of the Agreement with Pinaymootang First Nation
- Manitoba Hydro – Management of Keeyask Process Costs and Adverse Effects Agreements with First Nations
- Rural Municipality of De Salaberry
- Special Audit – Department of Conservation – Thompson District Office
- Special Audit – Pharmacare
- Public Interest Disclosure Investigation – Manitoba East Side Road Authority
- Citizen concerns (limited scope audits)

The following investigative audit reports have been issued since 2009:

Date	Investigative Reports
March 2014	Citizen Concerns Helicopter Ambulance Program Northern Airports and Marine Operations (Special audit)
August 2013	Rural Municipality of Lac du Bonnet
January 2013	Citizen Concerns Office of the Fire Commissioner (Special audit) Provincial Nominee Program for Business
January 2012	Animikii Ozoson Child and Family Services Agency
June 2012	Rural Municipality of St. Clements
December 2010	Rural Municipality of St. Laurent Society for Manitobans with Disabilities
May 2010	WRHA—Administration of the Value-Added Policy
November 2009	Members' Allowances

Information technology (IT) audits

Our information technology audit team conducts IT audit projects in high risk areas such as IT governance, security, project management, systems development and changes, and business continuity. We apply generally accepted frameworks and standards as audit criteria, including the Control Objectives for Information and Related Technologies (COBIT) framework and the International Organization for Standardization (ISO) standards.

In support of annual financial statement audits, our IT auditors review and test IT general controls. These controls include security, access, change management, and operating controls. In addition, our auditors test application controls and system-generated reports. The primary goal is to determine if system-generated information used in support of financial statement audits is both complete and accurate. Data analysis services, using computer assisted audit techniques, are provided to all areas of the Office as needed, with a primary focus on assisting financial statement auditors.

Web Site Version

During 2015/16 the following projects were in progress:

- eHealth – Electronic Health Records Initiative

The following IT audit reports have been issued since 2009:

Date	Audit Reports
July 2015	Winnipeg Regional Health Authority's Management of Risks Associated with End-user Devices
March 2014	Manitoba Hydro—Managing Cyber Security Risks Related to Industrial Control Systems
January 2013	Information Technology Security Management
January 2012	Wireless Network Security

Governance audits and reviews

Governance audits and reviews serve to enhance and strengthen board governance practices in the public sector. We believe that enhancing the effectiveness of governance practices in public sector organizations contributes to improved organizational performance and stronger accountability processes. We conduct audits and assessments of specific public sector boards, often in conjunction with performance audits and investigations. We also conduct primary research on governance issues of significance to the public sector, as well as provide advice and assistance to public sector boards, as requested.

During 2015/16 the following audit was in progress:

- Oversight of Post-Secondary Education Institutions

The following governance project reports have been issued since 2009:

Date	Project Reports
March 2014	Manitoba's Framework for an Ethical Environment
January 2012	Appointment Process to Agencies, Boards and Commissions
September 2009	Study of Board Governance in Crown organizations

Web Site Version

Attending Public Accounts Committee meetings

The Public Accounts Committee of the Legislature is an all-party Standing Committee of the Legislature. Its primary role is to examine the financial administration of public assets and the spending of public funds. All reports issued by the Auditor General are referred to the Public Accounts Committee. During its meetings, the Committee considers the audit reports, questions witnesses, and when it has finished deliberating, passes the reports (meaning the Committee has no further questions).

Chapter 10 of the Rule Book – Legislative Assembly of Manitoba, "Procedural Guidelines for the Standing Committee on Public Accounts", references the role and responsibilities of the Auditor General vis-à-vis the Committee as follows:

- Section 114: "The Auditor General should be in attendance at all Public Accounts Committee meetings to provide advice and opinions and answer questions on matters of accounting, administration and reports issued by the Auditor General, except where the Committee feels the circumstances do not require such attendance."
- Section 118: "The Auditor General shall at the discretion of the Committee, attend all meetings of the Committee that are held in camera."

In addition to attending and preparing for Public Accounts Committee meetings, the Committee can impact Office operations by requesting that the Auditor General conduct specific reviews or tasks:

- Section 120: "The Public Accounts Committee may request the Auditor General to perform specific reviews or tasks."
- Section 121: "Requests to the Auditor General for reviews or special tasks shall be passed as a motion by the whole Committee and terms of reference should be provided to the Auditor General in writing."

At the October 5, 2015 Public Accounts Committee meeting, the Committee recommended through a resolution that the Auditor General release to the Legislature, by November 13, 2015, our follow-up report on the recommendations included in our 2014 Waiving of Competitive Bids audit report. We worked diligently to accommodate this recommendation. The report was tabled in the Legislature on December 1, 2015

In 2015/16, the Public Accounts Committee met 6 times (see **Figure 5)**. The Auditor General and required staff attended all of the Committee meetings. The proceedings of all these meetings are recorded in Hansard (available on the Legislative Assembly website in the Legislative Business tab).

Web Site Version

Figure 5: Public Accounts Committee meetings in 2015/16

Meeting dates	Reports listed on the meeting notice
May 21, 2015	Auditor General's Report – Annual Report to the Legislature, January 2013 Chapter 2 – Citizen Concerns – Part 4 – North Portage Development Corporation Auditor General's Report – Annual Report to the Legislature, March 2014 Chapter 2 – Citizen Concerns Auditor General's Report – Follow-up of Previously Issued Recommendations, May 2014 Chapter 1 – Assessment Services Branch Chapter 4 – The Province's Management of Contaminated Sites and Landfills Chapter 10 – Special Audit: Rural Municipality of La Broquerie Chapter 18 – Report on the Rural Municipality of St. Clements Chapter 19 – Special Audit: Rural Municipality of St. Laurent Auditor General's Report – Rural Municipality of St. Clements, June 2012 Auditor General's Report – Rural Municipality of Lac du Bonnet, August 2013
July 8, 2015	Auditor General's Report – Annual Report to the Legislature, March 2014 Chapter 5 – Lake Manitoba Financial Assistance Program: Parts C & D Auditor General's Report – Follow-up of Previously Issued Recommendations, May 2014 Chapter 15 – Food Safety Auditor General's Report – Follow-Up of Previously Issued Recommendations, May 2015 Chapter 6 – Food Safety
September 29, 2015	Auditor General's Report – Annual Report to the Legislature, January 2013 Chapter 2 – Citizen Concerns – Part 3 – Employment and Income Assistance Program Auditor General's Report – Follow-Up of Previously Issued Recommendations, May 2014 Chapter 6 – Employment and Income Assistance Program Chapter 14 – Economic Development: Loans and Investments under The Development Corporation Act
October 5, 2015	Auditor General's Report – Annual Report to the Legislature, March 2014 Chapter 10 – Waiving of Competitive Bids
November 4, 2015	Auditor General's Report – Annual Report to the Legislature, March 2014 Chapter 1 – Accounts and Financial Statements: Chapter 10 Annual Report Public Accounts for the fiscal years ending March 31, 2012 and 2013 Volumes 1, 2, 3 and 4 Public Accounts for the fiscal years ending March 31, 2014 and 2015 Volumes 1, 2 and 3
December 14, 2015	Auditor General's Report – Follow-up of Recommendations: Waiving of Competitive Bids, November 2015 Auditor General's Report – Annual Report to the Legislature, March 2014 Chapter 10 – Waiving of Competitive Bids

Web Site Version

Following up on the implementation of our recommendations

A follow-up review is scheduled approximately 18 months after a project audit report is released, and annually thereafter for 2 more years (for a total of 3 years).

A follow-up review begins in June/July each year when we request a status update from management. Beginning in 2016/17 the implementation status will be determined as at the forthcoming September 30 (previously June 30). When status updates are received we conduct review procedures to assess the plausibility of the statuses provided. We do not re-perform audit procedures from the original report.

The following follow-up reports have been issued since 2009:

Date	Number of recommendations followed-up
May 2016	Implementation status as at June 30, 2015 for 368 recommendations
December 2015	Implementation status as at October 30, 2015 for 25 recommendations from the *Waiving of Competitive Bids* report
May 2015	Implementation status as at June 30, 2014 for 296 recommendations
May 2014	Implementation status as at June 30, 2013 for 244 recommendations
January 2013	Implementation status as at June 30, 2012 for 198 recommendations
September 2012	Follow-up of our December 2006 Report: Audit of the Child and Family Services Division Pre-Devolution Child and in Care Processes and Practices – 29 recommendations (status determined as at May 2012)
January 2012	Implementation status as at June 30, 2011 for 249 recommendations
March 2011	Implementation status as at June 30, 2010 for 140 recommendations
March 2010	Implementation status as at June 30, 2009 for 237 recommendations
March 2009	Implementation status as at June 30, 2008 for 489 recommendations

Web Site Version

5. Our planned activities for 2016/17

Financial statement audits

Our list of financial statement audits as noted in Appendix B is unchanged for 2016/17. As we noted in Section 3, we are preparing an analysis of which financial statements audits we should conduct to ensure our financial statement audit work and the related matters we report are on entities of strategic importance to the Legislative Assembly.

Project audits

We issue reports on project audits as they are completed. On July 21, 2016, we released our report: *Management of Provincial Bridges*. Other projects on the go include:

Performance audits

- Manitoba Apprenticeship
- East Side Road Authority – Management of Community Benefit Agreements
- Magnetic Resonance Imaging (MRI) Scan Management
- Student Financial Aid Information System

Investigations/Citizen concerns

- Manitoba Hydro – Management of Keeyask Process Costs and Adverse Effects Agreements with First Nations
- The Province's Management of the Agreement with Pinaymootang First Nation
- Rural Municipality of De Salaberry
- Special Audit, Department of Conservation, Thompson District Office
- Special Audit, Pharmacare
- Public Interest Disclosure Investigation, Manitoba East Side Road Authority
- Citizen concerns (limited scope audits)

Information technology

- eHealth – Management of the Electronic Health Records Initiative

Governance

- Oversight of Post-Secondary Education Institutions

Attending Public Accounts Committee meetings

We will attend all scheduled meetings to which we are invited.

Web Site Version

Follow-up of previously issued recommendations

We will conduct a follow-up of outstanding project audit recommendations as at September 2016. The report will be released in early 2017.

Web Site Version

6. Internal business and financial results

Internal business

In support of our fourth operating priority, we have been focusing on the following initiatives:

Operating Priority 4
Manage our internal business efficiently, effectively and economically.

- **Creating the IT Audit, Operations and Security division**
  In 2015/16 we created this division to bring together all of our IT resources under the direction of a newly created Director position. The Director can then leverage these resources as needed, whether it be in relation to an audit requirement or to further strengthen internal operations. Key initiatives for this division include:
    - developing a divisional plan to ensure our IT resources continue to effectively serve the Office and contribute to the Office's strategic direction.
    - enhancing our IT risk management program.
    - continuing to strengthen the Office's physical and cyber security program.
    - working with assigned financial statement audit staff to develop their IT audit skills and to enable these financial statement auditors to conduct IT general controls reviews as needed to support financial statement audits.
    - increasing our data analytics capacity.
    - implementing a secure Office intranet site and file sharing site.

- **Creating the Director Corporate Services position**
  The Director will be responsible for building an effective, efficient and progressive human resources management function within the Office and for directly managing the administration support and finance areas.

  Until legislative amendments are in place to effectively allow the Auditor General to manage and administer all aspects of its human resources, the Director will be the point person in the Office for all interactions with the Civil Service Commission. As an interim measure, we will be seeking delegated staffing authority for the incumbent. Key initiatives with respect to human resources management will include:
    - leading the Office's succession management process and its workforce planning process.
    - developing HR management performance metrics and gathering the needed information.
    - developing and managing an anonymous concern/complaint process.
    - monitoring the quality and timeliness of performance reviews and ensuring the resulting learning plans properly address staff needs.
    - developing a comprehensive onboarding program for new employees.
    - developing an Office professional development program based on CCOLA material and staff learning plans.
    - developing an action plan to transition the Office to its own human resource management function.

Web Site Version

- **Creating the Communications Manager position**
  The Communications Manager will be responsible for creating an effective communication program for the Office. The Communications Manager is the strategic communications expert and leader in the Office and will provide direct and confidential communications support for the Auditor General and senior management.

  Key initiatives for the Communications Manager will include:

  - working with the Auditor General and the audit team to assist in developing audit reports that use plain language to clearly and simply convey complex technical matters.
  - updating the Office's visual identity.
  - developing effective internal communication practices.
  - updating the website both visually and functionality.
  - determining how the Office can best use social media.
  - providing the Office's auditors with effective communications skills training, both oral and written.

- **Conducting an Employee engagement and satisfaction survey**
  In February 2016, we engaged an independent research firm to conduct a staff engagement and satisfaction survey. We used an independent contractor in order to provide our employees with assurance of confidentiality. Eighty-four percent of staff members participated in the survey. Responses indicated that:
  - 71% get a strong sense of satisfaction from their work.
  - 95% know what is expected of them, and 82% know how their work contributes to the success of the Office.
  - 87% feel the Office allows for good work-life balance.
  - 90% report they are provided the time and resources to do their job properly, and 93% are comfortable putting in extra effort when required.
  - 87% feel they are given the opportunity to provide input into the decisions that affect their work, and 83% feel respected by their supervisor.
  - 81% feel their Executive member sets a good example in modelling the Office values.
  - 88% feel they have positive relationships with their co-workers.
  - 75% are proud to work for the Office of the Auditor General.

  Room for improvement was identified with respect to enhancing internal communications regarding strategic objectives and future direction, as well as receiving meaningful and timely feedback about their work performance.

  The results of our survey are being reviewed and analyzed by our Executive Management Team as part of our strategic planning process. Our goal is to strengthen our internal processes as needed to resolve significant concerns identified by our staff members.

Web Site Version

- **Conducting an employee survey on workplace ethics**
  As part of the employee survey noted above, we included a survey on workplace ethics that was based on the ethics survey conducted of all Manitoba civil servants and reported in our March 2014 report, Manitoba's Framework for an Ethical Environment (Chapter 7). The survey results below are all significantly higher than the results within the Manitoba civil service:

  - 76% feel the Office has made available sufficient policies and guidelines regarding the ethical standards of behaviour required at work.
  - 90% of employees are clear on the ethical standards of behavior required of in their work.
  - 78% indicated that if faced with an ethical dilemma, they know where they can go for help in resolving the situation.
  - 83% feel comfortable talking to their supervisor about ethical issues which arise within their work environment.
  - 66% reported feeling confident that they would be protected from reprisals if they reported an ethics violation or suspected impropriety.
  - 74% believe that overall current OAG policies and practices with respect to values and ethics are working effectively in creating an ethical environment.

  As with the results from our staff engagement and satisfaction survey, the results of our ethics survey are being reviewed and analyzed by the Executive Management Team as part of our strategic planning process. We will be assessing the need to strengthen internal processes and communications to provide our staff with greater certainty and comfort if ever they are confronted with ethical challenges.

Financial results

Basis of reporting

We prepare our financial statements using a disclosed basis of accounting as described in Note 2 to the financial statements. Our financial statements describe how the money authorized was spent, how it compares to last year's actuals, and how actual revenue compared to estimated revenue.

Overview of 2015/16 financial results

Salaries and benefits were under budget by $603k (11%) due to staff vacancies and maternity leaves offset by a retroactive accrual for settlement of the new MGEU contract. Vacancies were not filled unless absolutely necessary in order to give the new Auditor General the ability to effect change after being appointed.

Operating expenses were under budget by $20k (1%).

Our bank balance at March 31, 2016 was $96,599. In March 2016, as we do every year, we estimated the value of 2015/16 invoices that would be received after year-end and drew that amount from the appropriation. We did this to ensure we would have sufficient funds in our bank account to pay all of our 2015/16 expenses (from funds appropriated for 2015/16). We drew $127,000 more to cover old year expenses than was ultimately necessary (last year we over-drew by $33,000). We return the excess draws to the Consolidated Fund in the new year by under-drawing from our appropriation in the first quarter and ensuring we lapse (do not spend) at least that amount. In 2015/16 we lapsed $495K (2014/15, $752k).

Web Site Version

7. Independent Auditors' Report and our financial statements

Management's responsibility for financial statements

The accompanying financial statements of the Office of the Auditor General for the year ended March 31, 2016 are the responsibility of management of the Office. Management has prepared the financial statements to comply with *The Auditor General Act*. The financial statements are prepared in accordance with the basis of accounting described in the notes to the financial statements and, where appropriate, reflect management's best estimates and judgments. The financial information presented elsewhere in this report is consistent with that in the financial statements.

The Office maintains appropriate systems of internal control (including policies and procedures) which provide management with reasonable assurance that assets are safeguarded and that the financial records are reliable and form a proper basis for the preparation of the financial statements.

The financial statements have been audited by the firm of Craig & Ross Chartered Accountants, in accordance with Canadian generally accepted auditing standards. Their report to the Members of the Legislative Assembly on the following pages expresses their opinion on the financial statements of the Office.



Norm Ricard, CPA, CA
Auditor General
June 22, 2016

Web Site Version

CRAIG & ROSS
CHARTERED PROFESSIONAL ACCOUNTANTS

June 22, 2016

INDEPENDENT AUDITORS' REPORT

To the Legislative Assembly of Manitoba

We have audited the accompanying financial statements of Office of the Auditor General of Manitoba, which comprise the statements of revenue and expenditures for the year ended March 31, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the disclosed basis of accounting described in Note 2, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the revenue and expenditures of the Office of the Auditor General of Manitoba, for the year ended March 31, 2016 in accordance with the basis of accounting described in Note 2.

Craig & Ross

Chartered Accountants

1515 ONE LOMBARD PLACE WINNIPEG MB R3B 0X3 (204) 956-9400 FAX (204) 956-9424
www.craigross.com

Web Site Version

OFFICE OF THE AUDITOR GENERAL OF MANITOBA

Statement of Revenue

Year Ended March 31, 2016

		2016		2015
Audit fees - for financial statement audits conducted by the Office				
Audit fees deposited in bank account	**$**	**356,050**	$	420,366
Prior year fees revenue deposited in the current year		**(205,565)**		(242,618)
Work in process		**178,441**		205,565
Audit fees (accrual basis)		**328,926**		383,313
Contract audit fees revenue - for financial statement audits conducted by our agents (accrual basis)		**464,039**		482,660
Total revenue (accrual basis)	**$**	**792,965**	$	865,973
Comparison of audit fees (excludes contract audit fees revenue) to voted revenue in the main estimates				
Audit fees deposited in bank account	**$**	**356,050**	$	420,366
Timing difference in transferring to the Consolidated Fund		**-**		(18,721)
Audit fees transferred to the Consolidated Fund	**$**	**356,050**	$	401,645
Main estimate - audit fees	**$**	**400,000**	**$**	**400,000**

Web Site Version

OFFICE OF THE AUDITOR GENERAL OF MANITOBA

Statement of Expenditures

Year Ended March 31, 2016

	2016	2015
Expenditures per appropriation		
Salaries and benefits	**$ 4,945,698**	$ 4,846,583
Operating	**1,475,811**	1,284,046
Total expenditures per appropriation	**6,421,509**	6,130,629
Appropriation draws less (more) than recoverable expenditures	**(127,444)**	(32,585)
Total (accrual basis)	**6,294,065**	6,098,044
Professional fees - contract audits	**464,039**	475,666
Total expenditures (accrual basis)	**$ 6,758,104**	$ 6,573,710

Comparison of actual expenditures per appropriation to voted expenditures in the main estimates

Actual - Expenditures per appropriation	**$ 6,421,509**	$ 6,130,629
Main estimate - Expenditures	**6,917,000**	6,883,000
Variance	**$ (495,491)**	$ (752,371)

Web Site Version

OFFICE OF THE AUDITOR GENERAL OF MANITOBA

Notes to Financial Statements

Year Ended March 31, 2016

1. NATURE OF OPERATIONS AND ECONOMIC DEPENDENCE

The Auditor General is appointed under The Auditor General Act (Chapter 39) as an officer of the Legislature. The Act provides for the establishment of the Office of the Auditor General of Manitoba (the "Office") and sets out the authority and powers of the Auditor General, identifies the audit services to be provided and establishes reporting responsibilities.

The Office is economically dependent on the Province of Manitoba. The annual estimates for the operations of the Office are approved by the Legislative Assembly Management Commission and are included in the Government's estimates which are voted through the Appropriation Act by the Legislative Assembly. The expenditures of the Office are reflected in the Public Accounts of the Province.

2. SIGNIFICANT ACCOUNTING POLICIES

The Auditor General Act requires an annual audit of the accounts of the Office of the Auditor General. Accordingly, these financial statements report on the accounts of the Office and reflect the following accounting policies:

Revenue

The Statement of Revenue is prepared on an accrual basis. An accrual adjustment of $398,037 has been recorded to reflect $205,565 of 2014/15 audit fee revenue deposited in 2015/16, $178,441 in work in process revenue not yet billed and $464,039 in contract audit fee revenue. Contract audit fees are deposited directly to the Office's bank account and used to pay auditors engaged to conduct audits on behalf of the Office of the Auditor General.

Expenditures

The Statement of Expenditures is prepared on the accrual basis, except for pension, vacation, severance and overtime costs which are prepared on the cash basis. An accrual adjustment of $297,717 has been recorded to reflect $127,444 drawn from the appropriation more than the recoverable expenditures and $464,039 of contract audit costs. $464,039 of contract audit costs were incurred and recovered through fees charged to the clients.

Web Site Version

Web Site Version

Appendices

Appendix A - The Auditor General Act

© Queen's Printer. This is not an official version. For the official version, please contact Statutory Publications.

C.C.S.M. c. A180

The Auditor General Act

(Assented to July 6, 2001)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Manitoba, enacts as follows:

PART 1
DEFINITIONS

Definitions

1 In this Act,

"department" means a department or branch of the government; (« ministère »)

"external auditor" means a professional auditor or firm of professional auditors appointed to audit the financial statements of a government organization; (« vérificateur externe »)

"government organization" means a department, government agency, fund or other organization included in the summary financial statements of the government reporting entity referred to in clause 65(1)(b) of *The Financial Administration Act*; (« organisme gouvernemental »)

"public money" means public money as defined in *The Financial Administration Act*; (« fonds publics »)

"recipient of public money" means

(a) a person, organization or other body

(i) that has received, directly or indirectly, a grant, loan or advance from the government or a government organization,

(ii) to whom the government or a government organization has transferred property for no consideration or consideration substantially less than its fair market value, or

(iii) for whom the government or a government organization has guaranteed the performance of an obligation or given an indemnity,

(b) a business entity or organization that has received a tax credit under a Manitoba law, or

(c) a business entity or organization that has issued a share, debt obligation or other security, if a person is eligible for a tax credit under a Manitoba law in respect of that acquisition or ownership of the security,

but does not include a government organization. (« bénéficiaire de fonds publics »)

S.M. 2007, c. 6, s. 100.

PART 2
AUDITOR GENERAL

Appointing the Auditor General

2(1) On the recommendation of the Standing Committee of the Assembly on Legislative Affairs, the Lieutenant Governor in Council must appoint an Auditor General of Manitoba, as an officer of the Assembly, to provide the Assembly with independent information, advice and assurance under this Act.

Web Site Version

Appendix A (cont'd)

Role respecting government policy objectives

2(2) Nothing in this Act is to be interpreted as entitling the Auditor General to question the merits of policy objectives of government.

S.M. 2004, c. 42, s. 97.

Appointment process

3(1) The President of the Executive Council must convene a meeting of the Standing Committee on Legislative Affairs if

(a) the office of Auditor General is vacant;

(b) the term of the Auditor General in office will expire within 12 months; or

(c) the Auditor General has resigned and the resignation takes effect within 12 months.

Recommendations of committee

3(2) The Standing Committee on Legislative Affairs must consider candidates for the position of Auditor General and make recommendations to the President of the Executive Council.

Meetings of committee

3(3) To carry out its responsibilities, the Standing Committee on Legislative Affairs may meet during a session of the Legislature or during a recess after prorogation.

No other public office

3(4) The Auditor General may not be nominated for, be elected as, or sit as a member of the Assembly, and may not hold any other public office or engage in any partisan political activity.

S.M. 2004, c. 42, s. 97.

Term

4 The Auditor General is to hold office during good behaviour for a term of 10 years, and may be reappointed for further terms of 10 years each.

Salary

5(1) The Auditor General must be paid a salary within the range of salaries paid to senior deputy ministers in the civil service, and is entitled to the same privileges of office as a senior deputy minister.

No reduction in salary

5(2) The Auditor General's salary must not be reduced except by a resolution of the Assembly carried by a vote of 2/3 of the members voting.

Civil Service Superannuation Act applies

6(1) The Auditor General is an employee within the meaning of *The Civil Service Superannuation Act*.

Civil Service Act does not apply

6(2) *The Civil Service Act*, except sections 42 and 43, does not apply to the Auditor General.

Suspension or removal

7(1) The Lieutenant Governor in Council may suspend or remove the Auditor General from office on a resolution of the Assembly carried by a vote of 2/3 of the members voting.

Suspension if Assembly not sitting

7(2) When the Assembly is not sitting, the Lieutenant Governor in Council may suspend the Auditor General for cause, if advised to do so in writing by a majority of a committee consisting of the President of the Executive Council and the recognized leaders of the members belonging to the political parties in opposition. But a suspension imposed when the Assembly is not sitting may not continue beyond the end of the next sitting.

Web Site Version

Appendix A (cont'd)

Deputy Provincial Auditor General

8(1) On the Auditor General's recommendation, the Lieutenant Governor in Council may appoint a Deputy Auditor General in accordance with *The Civil Service Act*.

Duties

8(2) If the Auditor General is absent or unable to act or if the office is vacant, the Deputy Auditor General has the powers and must carry out the responsibilities of the Auditor General.

Salary in certain cases

8(3) During any period that the Deputy Auditor General must assume the Auditor General's responsibilities for an extended period, the Lieutenant Governor in Council may direct that the Deputy be paid a salary within the same range as the Auditor General.

No other public office

8(4) The Deputy Auditor General may not be nominated for, be elected as, or sit as a member of the Assembly, and may not hold any other public office or engage in any partisan political activity.

PART 3

RESPONSIBILITIES OF THE AUDITOR GENERAL

AUDIT OF ACCOUNTS AND FINANCIAL STATEMENTS

Audit of government accounts

9(1) The Auditor General is the auditor of the accounts of the government, including those relating to the Consolidated Fund, and must make any examinations and inquiries that he or she considers necessary to enable the Auditor General to report as required by this Act.

Audit of other public money

9(2) The Auditor General is responsible for examining and auditing public money that is not part of the Consolidated Fund, unless an Act provides otherwise.

Audit of the Public Accounts

9(3) The Auditor General is responsible for examining and auditing the financial statements included in the Public Accounts under *The Financial Administration Act*, and any other statements the Minister of Finance presents for audit.

Opinion about the Public Accounts

9(4) The Auditor General must express an opinion as to whether the financial statements included in the Public Accounts fairly present information in accordance with the accounting policies of the government stated in the Public Accounts and on a basis consistent with that of the preceding year, and must set out any reservations the Auditor General might have.

Report to ministers

9(5) At least once in each year, the Auditor General shall make a report about the examinations and audits conducted under this section to the minister responsible for each government organization concerned and to the Minister of Finance. The Auditor General must allow at least 14 days for those ministers to review and comment on the report before finalizing it for submission to the Assembly under subsection 10(1).

Advice to officials

9(6) The Auditor General may advise appropriate officers and employees of matters discovered in conducting examinations and audits under this section.

Annual report to Assembly

10(1) No later than December 31 in each year, the Auditor General must report to the Assembly about the examinations and audits conducted under section 9.

Web Site Version

Appendix A (cont'd)

Content of the report

10(2) The report must indicate anything resulting from the work of the Auditor General that he or she considers should be brought to the Assembly's attention, including, but not limited to, circumstances in which

(a) required information was not provided or was not provided within a reasonable time;

(b) accounts were not properly kept or public money was not fully accounted for;

(c) essential records were not maintained, or the rules and procedures applied were insufficient, to

(i) safeguard and control public property,

(ii) secure an effective check on the assessment, collection and proper allocation of revenue, or

(iii) ensure that expenditures were made only as authorized;

(d) public money was expended for purposes other than those for which it was appropriated by the Legislature;

(e) financial and administrative provisions of Acts, regulations, policies and directives were not complied with.

Report may include recommendations

10(3) The report may include any recommendation the Auditor General wishes to make, and may draw attention to and make recommendations about any audit conducted by an external auditor under section 12.

SPECIAL REPORT TO ASSEMBLY

Special report to Assembly

11 The Auditor General may make a special report to the Assembly on any matter of pressing importance or urgency that he or she considers should not be deferred until the next annual report under section 10 is presented.

AUTHORITY OVER EXTERNAL AUDITORS

Scope of an external audit

12(1) When an external auditor is appointed to audit the financial statements of a government organization, the Auditor General may require the external auditor to give the Auditor General a description of the proposed scope of the audit before the audit is begun. The Auditor General may then require changes to be made in the scope of the audit.

Further directions

12(2) Before an external auditor issues an audit opinion on the financial statements of a government organization, the Auditor General may require the external auditor to

(a) give the Auditor General a copy of the proposed audit opinion, the financial statements, and any recommendations arising out of the audit of the financial statements; and

(b) conduct additional examinations relating to the financial statements.

Audit working papers

12(3) The Auditor General may require an external auditor to give the Auditor General a copy of the audit working papers.

Audit opinion

12(4) As soon as an audit is completed, an external auditor must give the Auditor General a copy of the audit opinion on the financial statements of a government organization and any recommendations arising out of the audit of the financial statements.

Reliance on external auditor's report

13 In order to fulfil his or her responsibilities as the auditor of the government's accounts, the Auditor General may rely on the report of an external auditor of a government organization or of a subsidiary of a government organization.

Web Site Version

Appendix A (cont'd)

AUDIT OF OPERATIONS

Audit of operations

14(1) In carrying out his or her responsibilities under this Act, the Auditor General may examine and audit the operations of a government organization with regard to any of the following matters:

(a) whether financial and administrative provisions of Acts, regulations, policies and directives have been complied with;

(b) whether public money has been expended with proper regard for economy and efficiency;

(c) whether the Assembly has been provided with appropriate accountability information;

(d) whether the form and content of financial information documents is adequate and suitable.

Report to ministers

14(2) At least once in each year, the Auditor General shall make a report about the examinations and audits conducted under this section to the minister responsible for each government organization concerned and to the Minister of Finance. The Auditor General must allow at least 14 days for those ministers to review and comment on the report before finalizing it for submission to the Assembly.

Report to officials

14(3) The Auditor General may advise appropriate officers and employees of matters discovered in conducting examinations and audits under this section.

Report to Assembly

14(4) The Auditor General must report to the Assembly annually on the work carried out under this section, and may bring to the Assembly's attention anything he or she considers necessary, including recommendations.

AUDIT OF RECIPIENT OF PUBLIC MONEY

Audit of recipient of public money

15(1) The Auditor General may conduct an examination and audit in respect of public money received by a recipient of public money, including the matters listed in subsection 14(1), and may require the recipient to prepare and give to the Auditor General the financial statements setting out the details of the disposition of the public money received.

No obstruction

15(2) No person shall obstruct or provide false or misleading information to the Auditor General or a person employed under the Auditor General in conducting an examination or audit under this section, or conceal or destroy any records or things relevant to an examination or audit.

Offence

15(3) A person who contravenes subsection (2) is guilty of an offence and is liable on summary conviction to a fine of not more than $10,000.

Reliance on report of other auditor

15(4) The Auditor General may rely on the report of an auditor appointed by a recipient of public money.

SPECIAL AUDIT ON REQUEST

Special audit on request

16(1) When requested to do so by the Lieutenant Governor in Council or the Minister of Finance, or by resolution of the Standing Committee on Public Accounts, the Auditor General may examine and audit the accounts of a government organization, recipient of public money or other person or entity that in any way receives, pays or accounts for public money. But the Auditor General is not obliged to do so if he or she is of the opinion that it would interfere with the primary responsibilities of the Auditor General.

Web Site Version

Appendix A (cont'd)

Report

16(2) The Auditor General must report the findings of an audit under this section to the person or body that requested the audit and to the minister responsible for any government organization concerned.

Report submitted to the Assembly

16(3) The Auditor General may submit a report of an audit under this section to the Assembly if it is in the public interest to do so, but must allow at least 14 days for the minister responsible for the government organization and the Minister of Finance to review and comment on the report before finalizing it for submission to the Assembly.

JOINT AUDIT

Joint audit

17 With respect to public money that is spent jointly, the Auditor General may undertake a joint audit with the Auditor General of Canada, an Auditor General or Provincial Auditor of another province or territory, or an auditor of a municipality.

PART 4
POWERS OF THE AUDITOR GENERAL

Access to records

18(1) Despite any other Act, the Auditor General is entitled to access at all reasonable times to the records of any government organization that are necessary for the purpose of this Act.

Access to information

18(2) The Auditor General may require and is entitled to receive any information necessary for the purpose of this Act from

(a) any person in the public service or formerly in the public service;

(b) any current or former director, officer, employee or agent of a government organization or of a recipient of public money; or

(c) any other person, organization or other body that the Auditor General believes on reasonable grounds may have information relevant to an examination or audit under this Act.

No access to Cabinet confidences

18(3) Despite subsections (1) and (2), the Auditor General shall not have access to information described in subsection 19(1) of *The Freedom of Information and Protection of Privacy Act*, except in the circumstances mentioned in subsection 19(2) of that Act.

Part V of Evidence Act powers

19 The Auditor General or his or her delegate may examine any person on oath on any matter that the Auditor General considers relevant to an examination and audit under this Act, and for that purpose the Auditor General or delegate has the powers of a commissioner appointed under Part V of *The Manitoba Evidence Act*.

Staff in government organizations

20 To carry out responsibilities under this Act more effectively, the Auditor General may place a person or persons employed under the Auditor General in any government organization, and the organization must provide the necessary office accommodation.

Security requirements

21 The Auditor General must ensure that every person employed under the Auditor General who is to examine records of a government organization complies with any security requirements applicable to persons employed in that organization.

Web Site Version

Appendix A (cont'd)

PART 5
GENERAL PROVISIONS

STAFF AND OFFICE OF THE AUDITOR GENERAL

Staff appointed under Civil Service Act

22(1) Officers and employees necessary to enable the Auditor General to perform his or her duties must be appointed in accordance with *The Civil Service Act*.

Civil Service Superannuation Act applies

22(2) Officers and employees of the Auditor General, including the Deputy Auditor General, are employees within the meaning of *The Civil Service Superannuation Act*.

Office of the Auditor General

23 The Auditor General is responsible for the internal operations of his or her office and for the persons employed under the Auditor General. For those purposes, the Auditor General may

(a) establish office policies and procedures consistent with practices followed by the government;

(b) charge fees for services provided by the office on a basis approved by the Lieutenant Governor in Council;

(c) delegate to any person employed under the Auditor General any responsibility or power that the Auditor General has under this Act, other than the responsibility to report to the Assembly;

(d) maintain an independent bank account; and

(e) contract for professional services.

CONFIDENTIALITY

Confidentiality

24(1) The Auditor General and everyone employed under the Auditor General shall preserve secrecy concerning all matters that come to their knowledge in the course of their work under this Act, and shall not communicate those matters to any person unless required to do so in connection with the proper administration of this Act or a proceeding under this Act, or in a court of law.

Exception

24(2) Nothing in subsection (1) limits the Auditor General's right to report under this Act on the conclusions of an examination or audit.

Working papers confidential

25 The working papers relating to an examination or audit by the Auditor General or a person employed under the Auditor General are confidential and must not to be laid before the Assembly or any committee of the Assembly.

ANNUAL REPORT OF AUDITOR GENERAL'S OFFICE

Annual audit of Auditor General's office

26(1) Each year, an auditor whose appointment is approved by the Legislative Assembly Management Commission must examine the accounts of the office of the Auditor General and prepare a report. The Commission may also direct the auditor to conduct an audit respecting any of the matters listed in subsection 14(1).

Annual report

26(2) Before August 1 each year, the Auditor General must report to the Assembly on the operations of his or her office. The report must include

(a) information on the performance of the office; and

(b) the report on the annual audit under subsection (1).

Web Site Version

Appendix A (cont'd)

ESTIMATES

Estimates

27(1) The Auditor General shall present annually to the Legislative Assembly Management Commission estimates of the amount of money that will be required for the purpose of this Act.

Special report

27(2) The Auditor General may make a special report to the Assembly if he or she thinks that the amount of money provided in the estimates submitted to the Legislature is inadequate.

Money

27(3) The money required for the purpose of this Act is to be paid out of the Consolidated Fund from money authorized by an Act of the Legislature.

Unexpended money to be paid into Consolidated Fund

27(4) All money which has been authorized by an Act of the Legislature to be paid and applied for the purposes of this Act that remains unexpended at the end of the fiscal year must be paid to the Minister of Finance and becomes part of the Consolidated Fund.

TABLING REPORTS IN THE ASSEMBLY

Tabling reports in the Assembly

28(1) When making a report to the Assembly under this Act, the Auditor General must submit the report to the Speaker. The Speaker must lay a copy of it before the Assembly within 15 days after receiving it if the Assembly is sitting or, if it is not, within 15 days after the beginning of the next sitting.

Distribution to members of the Assembly

28(2) On receiving a report under this Act, the Speaker must direct that copies be sent to the members of the Assembly.

Referral to Public Accounts Committee

28(3) A report to the Assembly under this Act stands referred to the Standing Committee on Public Accounts.

PROTECTION FROM LIABILITY

Protection from liability

29 No proceeding may be instituted against the Auditor General, the Deputy Auditor General, or any person employed under the Auditor General,

(a) for any act done in good faith in the performance or intended performance of a duty or in the exercise or intended exercise of a power under this or any other Act or regulation; or

(b) for any neglect or default in the performance or intended performance or in the exercise or intended exercise in good faith of a duty or power described in clause (a).

TRANSITIONAL, CONSEQUENTIAL, REPEAL AND COMING INTO FORCE

Transitional

30 *The Provincial Auditor appointed under **The Provincial Auditor's Act** continues in office as the Auditor General under this Act as if appointed under this Act for a term that expires on the day the appointment under **The Provincial Auditor's Act** would expire.*

31 **NOTE: The Schedule referred to in this section contained consequential amendments to other Acts that are now included in those Acts.**

Web Site Version

Appendix A (cont'd)

Repeal

32 *The Provincial Auditor's Act*, R.S.M. 1987, c. P145, is repealed.

C.C.S.M. reference

33 This Act may be referred to as chapter A180 of the *Continuing Consolidation of the Statutes of Manitoba.*

Coming into force

34 This Act comes into force on a day fixed by proclamation.

NOTE: S.M. 2001, c. 39 came into force by proclamation on May 1, 2002.

Web Site Version

Appendix B –Listing of financial statement audits

Financial statement audits conducted by the Auditor General's Office

Organizations within the government reporting entity

Summary Financial Statements
Crown organizations:
- Cooperative Promotion Board
- Cooperative Loans and Loans Guarantee Board
- Funeral Board of Manitoba
- Liquor and Gaming Authority of Manitoba
- Manitoba Health Services Insurance Plan
- Public Schools Finance Board
- University of Manitoba

Crown Revitalization Fund
Special Operating Agencies Financing Authority

Organizations outside the government reporting entity

Civil Service Superannuation Fund
Legislative Assembly Pension Plan
Public Service Group Insurance Fund
Teachers' Retirement Allowances Fund
Winnipeg Child and Family Services Employee Benefits Retirement Plan

Financial statement audits conducted by the Auditor General's Office under an agency agreement with a private sector accounting firm

Organizations within the government reporting entity

Crown organizations:
- Brandon University
- Helen Betty Osborne Memorial Foundation
- Leaf Rapids Town Properties Ltd.
- Legal Aid Manitoba
- Manitoba Agricultural Services Corporation
- Manitoba Habitat Heritage Corporation
- Manitoba Housing and Renewal Corporation
- Manitoba Water Services Board
- University College of the North

Special Operating Agencies:
- Public Trustee
- Manitoba Learning Resource Centre

Web Site Version

Appendix B (cont'd)

Organizations outside the government reporting entity

Brandon University Retirement Plan
Northern Affairs Fund

Financial statement audits conducted by private sector accounting firms with overviews performed by the Office of the Auditor General

Government enterprises

Deposit Guarantee Corporation of Manitoba
Manitoba Hydro-Electric Board
Manitoba Liquor and Lotteries Corporation
Manitoba Public Insurance Corporation
Workers Compensation Board of Manitoba

Crown organizations

Addictions Foundation of Manitoba
Assiniboine Community College
Cancer Care Manitoba
Le Centre culturel franco-manitobain
Communities Economic Development Fund
Crown Corporations Council
Diagnostic Services of Manitoba Inc.
Economic Development Winnipeg Inc.
Insurance Council of Manitoba
Manitoba Arts Council
Manitoba Cattle Enhancement Council
Manitoba Centennial Centre Corporation
Manitoba Combative Sports Commission
Manitoba Community Services Council Inc.
Manitoba Development Corporation
Manitoba Film and Sound Recording Development Corporation
Manitoba Floodway and East Side Road Authority
Manitoba Hazardous Waste Management Corporation
Manitoba Horse Racing Commission
Manitoba Law Reform Commission
Manitoba Opportunities Fund Ltd.
Manitoba Potash Corporation
Medical Transportation Coordination Centre
Red River College
Rehabilitation Centre for Children Inc.
Research Manitoba

Web Site Version

Appendix B (cont'd)

Regional Health Authorities of Manitoba
St. Amant Inc.
Sport Manitoba Inc.
Travel Manitoba
Universitaire de Saint-Boniface
Venture Manitoba Tours Ltd.
40 Personal Care Homes
38 School Divisions

Regional health authorities

Interlake-Eastern Regional Health Authority
Northern Regional Health Authority Inc.
Prairie Mountain Health
Southern Health-Santé Sud
Winnipeg Regional Health Authority

Family services authorities

First Nations of Northern Manitoba Child & Family Services Authority
First Nations of Southern Manitoba Child & Family Services Authority
General Child and Family Services Authority
Métis Child and Family Services Authority

Special operating agencies

Crown Lands and Property Agency
Entrepreneurship Manitoba
Green Manitoba Eco Solutions
Food Development Centre
Industrial Technology Centre
Materials Distribution Agency
Office of the Fire Commissioner
Pineland Forest Nursery
Manitoba Education Research and Learning Information Networks (MERLIN)
Manitoba Financial Services Agency
Vehicle and Equipment Management Agency
Vital Statistics Agency

Web Site Version

Executive management

Auditor General

Norm Ricard

Assistant Auditor Generals

Sandra Cohen
Greg MacBeth
Tyson Shtykalo
Brian Wirth

Desktop Publisher

Shondell Babb
Jannatul Fardosh

Corporate services

Shondell Babb
Jannatul Fardosh
Ken Nero
Shirley Richardson
Jim Stephen

Photographer

News Media Services

Cover design

Cocoon Branding Inc.

Our contact information

Office of the Auditor General
500 – 330 Portage Avenue
Winnipeg, Manitoba
Canada R3C 0C4

Phone: (204) 945-3790
Fax: (204) 945-2169
Email: oag.contact@oag.mb.ca

Copies of this report can be found on our website www.oag.mb.ca

Web Site Version

Web Site Version