3.1 Introduction

We conduct legislative audits to provide the House of Assembly with information on public sector accountability. Legislative audits are carried out to determine whether:

- Public money is being properly collected and accounted for;
- expenditures are properly recorded and made for the purposes intended;
- accounts are properly kept;
- assets are adequately safeguarded; and
- accounting and management systems and practices are adequate.

These legislative audits also determine whether the activities of Government departments and agencies have been carried out in compliance with legislation, government policies and other authorities.

Monitoring the implementation of our recommendations is an important part of our obligation to report to the House of Assembly. Our objective is to monitor and report the degree to which positive change has occurred as a result of the implementation of recommendations in our prior years' reports.

In 1996, we commenced a formal process of monitoring and updating the comments and recommendations included in our previous Annual Reports to the House of Assembly. It is our intention to monitor and update the recommendations in each Annual Report two years after it has been issued. Monitoring will continue until we are reasonably satisfied that issues are being adequately addressed or are no longer valid.

This chapter includes the results of these monitoring activities on our Annual Reports up to and including 2002.

Department of Education

3.2.1 Memorial University of Newfoundland (1994 Annual Report, Part 4.9)

Introduction

In 1994 and again in our annual updates from 1996 to 2003 we concluded that the Department of Education did not have an adequate system of accountability in place over grants paid to Memorial University of Newfoundland. Although the University received approximately

$151 million in Provincial grants during 2003-04, there was still inadequate accountability over this funding.

We have recommended that a system of accountability be established over grants to the University. This system should include, but not be restricted to, the following components:

- Roles, responsibilities and duties of the Department of Education and Memorial University should be well defined and communicated. These should be included in legislation and further defined in policy.

- There should be adequate reporting to the Department of Education and to the House of Assembly. This includes both financial and performance monitoring.

- The system of accountability should be strengthened by an independent audit process to assess the fairness of the University's representations on performance and to assess management systems and controls.

Update

In October 2004, we contacted the Department of Education requesting an update as to the progress on the comments and recommendations included in our 1994 report.

Departmental officials indicated that they had nothing new to add to their comments made to our 2003 update. In 2003, the Department indicated that, in its opinion, reporting accountability and communications with the University had improved immensely over the past couple of years. In addition to the receipt of standard financial reports which include audited financial statements, budget submissions and periodic financial information exchanged throughout the year, the Department receives, reviews and converses with University staff on numerous issues which include, by categorization, Strategic Framework and Strategic Framework Action Plan, reports on student performance, student surveys, academic programs and research.