

**LEGISLATIVE ASSEMBLY OF THE  
NORTHWEST TERRITORIES  
7<sup>TH</sup> COUNCIL, 54<sup>TH</sup> SESSION**

**TABLED DOCUMENT NO. 13-54**

**TABLED ON JANUARY 17, 1975**

T.O. 13-54

Tabled on Jan. 17/75

OFFICE OF THE AUDITOR GENERAL



BUREAU DE L'AUDITEUR GÉNÉRAL

Ottawa, Ontario,  
K1A 0G6,  
January 8, 1975.

The Council of the Northwest Territories,  
Yellowknife, N.W.T.

Sirs,

Section 23 of the Northwest Territories Act provides for the accounts and financial transactions of the Territories to be examined by the Auditor General and an annual report to be made to the Council stating whether: proper books of account have been maintained; the financial statements were prepared on a basis consistent with that of the preceding fiscal year, are in agreement with the books of account, and give a true and fair view of the transactions of the fiscal year and of the assets and liabilities of the Territories at the end of the fiscal year; and the transactions noted have been within the powers of the Territories. In compliance with these requirements, my report of October 3, 1974, in respect of the fiscal year ended March 31, 1974, was addressed to the Council.

The same section of the Act also provides for the Auditor General to call attention to any other matter falling within the scope of his examination that in his opinion should be brought to the attention of the Council. Under this provision, the following observations arising from my examination of the accounts for the fiscal year ended March 31, 1974, are brought to your attention.

Delay in the preparation of the financial statements of the Territories.

The accounts of the Territories were not sufficiently complete in late June 1974 to permit financial statements for the year ended March 31, 1974 to be prepared, as evidenced by the 68 audit adjustments aggregating \$26,500,000 that had to be made. There is a need to review the staff requirements of Treasury, both in the matter of numbers and qualifications of staff, to ensure the prompt and accurate discharge of the increasing responsibilities of this Office.

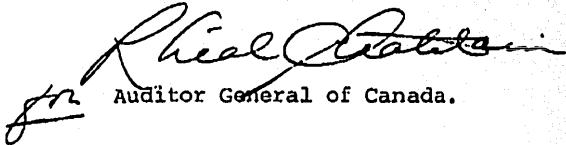
Investment of surplus funds. The temporary investment of surplus funds of the Territories has in a large part been handled by the banks. The funds are invested in short-term deposit receipts. In many instances the deposit receipts were cashed before maturity with a consequent interest penalty. As the Treasury staff is in a better position than the banks to forecast the cash requirements of the Territories, management of these surplus funds should be handled by the Treasury office.

Computer operation. Our examination disclosed numerous weaknesses in the computer operation including, lack of control of input data, delay in the preparation of reports, insufficient information in reports produced by the computer, poor security and inadequate accommodation in the computer area, etc. As the rental of the computer and the number of staff involved in the operation represent a substantial cost to the Territories, consideration should be given to an independent assessment by consultants of the computer operation.

\* \* \* \* \*

I would like to express my appreciation to the Commissioner and his staff for the courtesy and co-operation extended to my representatives during the audit.

Yours faithfully,

  
Auditor General of Canada.