

**LEGISLATIVE ASSEMBLY OF THE  
NORTHWEST TERRITORIES  
10<sup>TH</sup> ASSEMBLY, 2nd SESSION**

**TABLED DOCUMENT NO. 13-84(2)**

**TABLED ON MAY 15, 1984**

The Standing Committee on Public Accounts met in Yellowknife, April 25th - 26th - 27th to review the following documents:

- Auditor General's Report on Any Other Matter for Year ending March 31, 1983.
- Territorial Accounts for Year Ended March 31, 1983.
- Territorial Government Response to the Public Accounts Committee Recommendations Concerning the Financial Information System Project and Other Major Projects.

Five Members were in attendance. Witnesses appeared representing the Territorial Government and the Auditor General's Office. The proceedings were held in public with members of the press present for much of the review.

A full transcript of the proceedings will be made available to the public and will be sent to all members of the Legislature.

#### 2. BACKGROUND

The review of the documents Any Other Matter and the Territorial Accounts will take place each year on or about late March or April following the Winter Session of the Legislature. Although these documents are available in late Fall a review is not possible at that time because the Standing Committee on Finance is busy with the Main Estimates. (Members will recall that the Public Accounts Committee and the Finance Committee are one in the same).

A full review of these Audit Reports in the Public Accounts Committee reduces the time spent in Formal Session or Committee of the Whole. However, members of the Legislature always have the right to question any information contained in these documents during any Sitting of the Legislature once the information has been tabled.

The Standing Committee on Public Accounts began each review with an overview of the documents provided by the Deputy Auditor General and/or the witness representing the G.N.W.T. Members then had an opportunity to question both the Auditors and the Government on any issue.

In addition the Auditors provided the Committee Members with an overview and explanation of accounting terminologies used in the audit report.

In preparation for the review the Co-Chairmen of the Standing Committee along with the Committee Clerk spent a day with the Auditors reviewing the documentation.

Turning now to the detail of the audit report entitled "Any Other Matter". Extensive questioning took place on an issue by issue basis. Not all issues will be raised in this report however members may wish to refer to the transcript of the proceedings if they wish further detail or information.

(A) BUSINESS LOANS & GUARANTEES FUND

The Committee does wish to point out that the Auditor raised the matter of the Business Loans and Guarantees Fund under the Department of Economic Development. He referred to the Management of this fund as lacking in basic controls and likened it to a disaster area. The Department had little justification for the mess except that it had been turned over from the Federal Government in that state in the late 1970's. Since the observation was made by the Auditors the Department has initiated a complete review of the Fund and a re-organization has taken place. Corrective work has begun however your committee feels that sufficient priority has not been given to even solve the basic administrative problems.

(1) The Committee strongly recommends that in future, any programs/ services accepted by the G.N.W.T., through devolution or decentralization, from any other level of government be immediately evaluated for basic administrative policy and procedures. If these are found lacking that steps be taken at once to rectify the situation.

(2) Your Committee further recommends that the administrative policy and procedure for the Business Loans and Guarantees Fund be finalized and implemented immediately.

Mr. Speaker, your Committee also discussed at length the observations made that the Regulations to the Small Business Loans and Guarantees Ordinance assented to on March 5, 1982, still had not been amended to reflect changes resulting from the amendments to the Financial Administration Ordinance.

The Committee was assured that action was indeed being taken to rectify the situation, however, this raised the issue of timely Regulations being written and/or amended when Ordinances were passed and/or amended.

After consideration the Committee passed the following recommendation:

(3) The Standing Committee on Public Accounts recommends to the Legislature and the Executive Council that wherever possible that Legislation including amendments to new Legislation come into effect only when the Regulations are amended and/or written and approved by the proper body.

Mr. Speaker, the Standing Committee on Public Accounts feels quite strongly that Legislation, particularly Legislation designed to serve people, must have the Regulations ready as soon as possible following assent. The regulations to any Legislation provides the details to the administrative procedures, the explanation, the direction and if not readily available can cause confusion and delay in the implementation of the law itself.

(B) P.O.L. FUND

Once again the Petroleum Oil and Lubricants Revolving Fund was brought to the attention of the Legislature by the Auditors. Your Committee was assured by the Department of Government Services that changes had been implemented and that many of the outstanding issues were finally being resolved. Your Committee is hopeful of hearing soon from the Auditors that the P.O.L. system is finally under control.

(C) HOUSING CORPORATION

Seven pages of the Audit Report were devoted to the N.W.T. Housing Corporation. A page by page review of the observations raised was made and several additional pieces of information was requested. The Committee looks forward to the report of the Special Committee on Housing.

Your Standing Committee next reviewed the Annual Report of the Territorial Accounts 1982-83.

Finally a status and update on the N.W.T. Government responses to the 9th Assembly's P.A.C. report on Future G.N.W.T. Projects was requested.

Your Committee learned that the Government presently has several ongoing projects including a performance measurement committee, systems development (polaris enhancement, data base design) and others. Members interested in the G.N.W.T. response may refer to the proceedings.

That concludes the Standing Committee on Public Accounts Report Mr. Speaker.

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