

1992 BILL 295

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THE LEGISLATIVE ASSEMBLY OF ALBERTA

# BILL 295

AUDITOR GENERAL AMENDMENT ACT, 1992

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MR. DECORE

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First Reading .....

Second Reading .....

Committee of the Whole .....

Third Reading .....

Royal Assent .....

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*Bill 295*  
*Mr. Decore*

## **BILL 295**

1992

### **AUDITOR GENERAL AMENDMENT ACT, 1992**

*(Assented to , 1992)*

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

- 1(1) The Auditor General Act is amended by this section.*
- (2) Section (1)(b) is amended by striking out "and includes a corporation, more than 50% but less than 100% of whose issued voting shares are owned by the Crown and partly held in trust for the Crown."*

## Explanatory Notes

*1(1) This section will amend chapter A-49 of the Revised Statutes of Alberta, 1980.*

*(2) Section 1(b) presently reads as follows:*

*1(b) "Crown-controlled organization" means*

*(i) a corporation that is incorporated by or under an Act of the Legislature, other than a local or private Act, one or more but less than a majority of whose members or directors are appointed or designated, either by their personal names or by their names of office, by an Act of the Legislature or regulations under an Act of the Legislature, by an order of the Lieutenant Governor in Council or of a Minister of the Crown or by any combination thereof, or*

*(ii) an unincorporated board, commission, council or other body that is not a department or part of a department, one or more but less than a majority of whose members are appointed or designated, either by their personal names or by their names of office, by an Act of the Legislature or regulations under an Act of the Legislature, by an order of the Lieutenant Governor in Council or of a Minister of the Crown or by any combination thereof,*

*that is responsible for the administration of public money or assets owned by the Crown, and includes a corporation, more than 50% but less than 100% of whose issued voting shares are owned by the Crown or held in trust for the Crown or are partly owned by the Crown and partly held in trust for the Crown;*

(3) *Section 3 is amended*

(a) *in subsection (2) by striking out "8 years" and substituting "10 years"; and*

(b) *in subsection (3) by adding "not" before "eligible".*

(4) *Section 12 is amended*

(a) *by renumbering it as subsection (1);*

(b) *by striking out "the Auditor General" and substituting "subject to subsection (2), the Auditor General", and*

(c) *by adding the following after subsection (1):*

(2) notwithstanding subsection (1)(a), the Auditor General may decline to be the Auditor of a provincial corporation if he is satisfied that it is appropriate for another auditor to be appointed, in which case an auditor shall be appointed by the Lieutenant Governor in Council.

(5) *Section 16(1) is amended*

(a) *by adding "or if the accounts of a provincial corporation are audited other than by the Auditor General as a result of the operation of section 12(2)" after "other than by the Auditor General."; and*

(b) *by adding "or provincial corporation" after "Crown-controlled organization" wherever it occurs in clauses (a), (b), and (c).*

(3) *Section 3 presently reads as follows:*

*3(1) There shall be appointed pursuant to this Act an Auditor General who shall be an officer of the Legislature.*

*(2) Subject to section 6, the Lieutenant Governor in Council shall appoint the Auditor General, on the recommendation of the Assembly, for a term not exceeding 8 years.*

*(3) An Auditor General is eligible for reappointment under subsection (2).*

(4) *Section 12 presently reads as follows:*

*12 The Auditor General*

*(a) is the auditor of every department, regulated fund, revolving fund and Provincial agency, and*

*(b) may with the approval of the Select Standing Committee be appointed by a Crown-controlled organization or any other organization or body as the auditor of that Crown-controlled organization or other organization or body.*

(5) *Section 16(1) presently reads as follows:*

*16(1) If the accounts of a Crown-controlled organization are audited other than by the Auditor General, the person performing the audit shall*

*(a) deliver to the Auditor General immediately after completing the audit a copy of the report of his findings and his recommendations to management and a copy of the audited financial statements of the Crown-controlled organization.*

*(b) make available immediately to the Auditor General on his request all working papers, reports, schedules and other documents in respect of the audit or in respect of any other audit of the Crown-controlled organization specified in the request, and*

*(c) provide immediately to the Auditor General on his request a full explanation of the work performed, tests and examinations made and the results obtained, and any other information within the knowledge of the person in respect of the Crown-controlled organization.*

(6) *Section 19(2)(b) is amended*

*(a) in subclause (ii) by striking out "disbursements, or" and substituting "disbursements"; and*

*(b) by adding the following after subclause (iii):*

*"(iv) have been made without due regard for economy or efficiency."*

(7) *The following is added after section 16:*

**16.1(1)** Upon completing the audit of the accounts of a provincial corporation, the Auditor General shall make public

(6) *Section 19(2) presently reads as follows:*

*(2) A report of the Auditor General under subsection (1) shall include the results of his examinations of the organizations of which he is the auditor, giving details of any reservation of opinion made in an audit report, and shall call attention to every case in which he has observed that*

*(a) collections of public money*

*(i) have not been effected as required under the various Acts and regulations, directives or orders under those Acts,*

*(ii) have not been fully accounted for, or*

*(iii) have not been properly reflected in the accounts,*

*(b) disbursements of public money*

*(i) have not been made in accordance with the authority of a supply vote, Heritage Fund vote or relevant Act,*

*(ii) have not been complied with regulations, directives or orders applicable to those disbursements, or*

*(iii) have not been properly reflected in the accounts,*

*(c) assets acquired, administered or otherwise held have not been adequately safeguarded or accounted for,*

*(d) accounting systems and management control systems, including those systems designed to ensure economy and efficiency, that relate to revenue, disbursements, the preservation or use of assets or the determination of liabilities were not in existence, were inadequate or had been complied with, or*

*(e) when appropriate and reasonable procedures could have been used to measure and report on the effectiveness of programs, those procedures were either not established or not being complied with,*

*and shall call attention to any other case that he considers should be brought to the notice of the Assembly.*

*(7) New section provides for publication of financial statements and audit report of a provincial corporation.*

the financial statements of the organization and his audit report no later than 30 days after the completion of the audit.

(2) If the audit of a provincial corporation is carried out other than by the Auditor General by the operation of section 12(2), the Auditor General shall make public the financial statements of the corporation and the audit report and any comments he has on the report no later than 30 days after he completes his review."

2(1) *The Financial Administration Act is amended by this section.*

(2) *Section 1(n) is amended*

(a) *in subclause (ii) by striking out "all of whose issued voting shares of every class" and substituting "more than 50% of whose issued voting shares"; and*

(b) *by striking out "the Credit Union Stabilization Corporation established under section 90 of the Credit Union Act,".*

3 *This Act comes into force on Proclamation.*

2(1) *This section will amend chapter F-9 of the Revised Statutes of Alberta, 1980*

(2) *Section 1(n) presently reads as follows:*

(n) *"Provincial corporation" means*

(i) *a corporation that is incorporated by or under an Act of the Legislature, other than a local or private Act, all or a majority of whose members or directors are appointed or designated, either by their personal names or by their names of office, by an Act of the Legislature, by an order of the Lieutenant Governor in Council or of a Minister of the Crown or by any combination thereof, or*

(ii) *a corporation all of whose issued voting shares of every class are owned by the Crown or held in trust for the Crown or are partly owned by the Crown and partly held in trust for the Crown,*

*but does not include a new town or a housing authority incorporated under section 42 of the Alberta Mortgage and Housing Corporation Act, the Credit Union Stabilization Corporation established under section 90 of the Credit Union Act, The Calgary General Hospital Board under The Calgary General Hospital Board Act or a board of a hospital district appointed by an order made under section 8 of the Hospitals Act;*