



News Release

Provincial Auditor

Auditor releases report card on Government finances

For Immediate Release

Regina, September 25, 2001—Fred Wendel, Acting Provincial Auditor, today released his report card on the state of the Government's finances. The report card is contained in Volume 1 of the Auditor's 2001 Fall Report.

The report card indicates that the Government's financial condition continues to improve. However, the Auditor urged caution, noting that as the Government's financial condition improves, there is greater pressure to increase Government spending and reduce taxes. "The Government must continue to carefully manage spending and revenue raising," said Wendel. "The Government's accumulated deficit of \$7.9 billion is large for a province of one million people. And, as we have seen, the economy can quickly change due to changing commodity prices, interest rates and weather."

For the first time, the report card provides information to allow readers to compare the Saskatchewan Government's finances to those of other provinces. The report card shows that the Government's finances compare favourably with those of most other provinces.

The Report also calls on the Government to change how it prepares and presents its budgets. The Government presents its financial plan each year in its Budget. However, the Budget only focuses on one fund of Government, the General Revenue Fund. The General Revenue Fund excludes almost 40 per cent of the Government's financial activity. This allows the Government to manage the budget and the actual results of the Fund by deciding to record revenues and expenses in different funds.

"Legislators and public need to see the whole picture in order to know if the Government is living within its means," said Wendel. "It's time for the Government of Saskatchewan to join Canada's other governments in presenting budgets that include all Government activity." Only Saskatchewan, Newfoundland, and Prince Edward Island continue to present budgets that exclude a significant part of government activity.

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This Report is available on the Internet at <http://www.auditor.sk.ca>.

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