



News Release

Provincial Auditor

Auditor Calls for Better Supervision of Public Money

For Release After Report Has Been Tabled

REGINA, June 7, 2001—Fred Wendel, Acting Provincial Auditor, called today for improvements in how Government agencies are supervised. He also warned Government that it must ensure it has the necessary expertise to manage the large projects it undertakes. The Acting Provincial Auditor detailed these concerns in his 2001 Spring Report, tabled today in the Legislative Assembly.

The Report includes findings and recommendations for nearly 115 Government organizations. “For the most part,” said Wendel, “these organizations have adequate financial management practices. However, the problems we uncovered underline the need for improved supervision.”

The Report describes the need for Government organizations to ensure that they have, or retain, adequate expertise to oversee the development of new computer systems. Just as an organization using a contractor to construct a building would hire its own consulting engineer to make sure the job was done right, agencies developing large computer projects using a contractor require expert advice, independent from the contractor, to make sure the job is done right.

The Report describes how the Office of the Public Trustee did not properly oversee the development of its new computer system. The Office also did not adequately test the system to ensure that it worked properly and met the Office’s requirements. These weaknesses contributed to the computer system being late, over budget, and not meeting all of the Office’s needs. Due in part to these difficulties, the Office failed to properly protect its clients’ assets.

The Report also describes how the financial management practices of the First Nations Fund are unacceptable. Trustees of the First Nations Fund did not spend public money with due care. Nor did they ensure that money they paid to First Nations Bands and to other organizations was used as required by law.

The Acting Provincial Auditor noted that the Government departments that oversee the Office of the Public Trustee and the First Nations Fund are also responsible to ensure that public money is spent with due care. The Department of Justice is responsible for the Office of the Public Trustee. The Department of Intergovernmental and Aboriginal Affairs is responsible for the First Nations Fund. “These Government departments need to act quickly to improve the financial management practices at the two agencies,” said Wendel.

The Government also does not know whether the money it provided to municipalities under the Municipal Infrastructure Program has been used for the purposes intended. The Department of Municipal Affairs, Culture and Housing has not yet taken planned steps to check whether these payments were used appropriately.

However, the Acting Provincial Auditor commended the Government on its accountability initiatives. "Crown Investments Corporation of Saskatchewan (CIC) has made good progress in implementing the Balanced Scorecard." CIC uses the scorecard to evaluate Crown corporation performance and has approved a policy requiring public reporting of key elements of the scorecard.

For Government departments, the Government has established an accountability framework to focus departments on the outcomes they achieve. Departments have begun using the framework for planning and managing their affairs. "The Government should establish a policy requiring public reporting of planned and actual results," said Wendel. "As with CIC, the policy should set minimum disclosure requirements and a timetable to fulfill those requirements."

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

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