



News Release

Provincial Auditor

Auditor calls for due care in Government spending

For Immediate Release

REGINA, December 11, 2003 – Saskatchewan Provincial Auditor Fred Wendel today released the third volume of his 2003 Report. The Report focuses on government agencies with March 31, 2003 fiscal year-ends. Most agencies covered by the Report had good practices to manage public resources. However, serious problems exist at some government agencies.

The Report indicates that the Department of Community Resources and Employment (formerly the Department of Social Services) and the Department of Learning continue to provide financial aid without due care. These departments provide aid to people who meet a financial needs test. The departments need to do more work to ensure that the people who receive aid are entitled to it and that the amounts paid are correct. The Department of Community Resources and Employment spent \$238 million on social assistance. The Department of Learning provided \$76 million in student aid and training allowances.

The Auditor also reports that Community Resources and Employment needs to follow its policies for children in its care. The Department needs to ensure that childcare providers are qualified.

Saskatchewan Liquor and Gaming Authority needs to exercise due care over the spending of the Saskatchewan Indian Gaming Authority (SIGA). "We made recommendations in past reports to improve Liquor and Gaming's practices," said Wendel. "But important recommendations have still not been implemented." These recommendations relate to setting spending policies for SIGA, monitoring SIGA's compliance with the policies, and recovering spending that does not comply with the policies.

SIGA continues to spend public money without due care. It lacks spending policies that have been approved by Liquor and Gaming. The Auditor estimates 30 per cent of the non-salary payments made by SIGA were either made without authority or there was no evidence that SIGA received the goods and services for which it had paid. The Report notes that SIGA has provided Liquor and Gaming with proposed spending policies. However, Liquor and Gaming did not approve the policies because it found that they were not adequate. "SIGA and Liquor and Gaming must act quickly to put sound spending practices in place at SIGA," said Wendel. SIGA spent \$60 million in 2003.

The Trustees of the First Nations Fund denied the Provincial Auditor access to the Fund's records for the year ended March 31, 2003. The Auditor has previously reported that the Trustees' spending practices were not adequate. Because of the Trustees' refusal to grant

access this year, the Auditor cannot advise the Legislative Assembly whether the Trustees have improved their spending practices. In addition, the Department of Government Relations and Aboriginal Affairs does not have adequate processes to know if the money it provided to the First Nations Fund was used in compliance with the law. The Fund received \$20 million from the Department in 2003.

While the Report details problem areas that the Government needs to address, it also describes continuing improvements in government accountability.

In June 2003, the Standing Committee on Crown Corporations recommended that the Crown Investments Corporation and its related corporations disclose the names of persons who receive money from these corporations and the amounts they receive. "I congratulate the Standing Committee for making this important improvement to the accountability of Crown corporations," said Wendel.

The Government has stated that it will publish a financial plan for the entire government, beginning with its 2004-05 budget package. This is a positive change that means legislators and the public will be able to review the financial plan for all of government, not just the part covered by the General Revenue Fund. The Fund excludes about 40 per cent of the Government's spending and revenue. However, the Auditor points out that there could still be confusion about the Government's financial performance because *The Balanced Budget Act* focuses only on the General Revenue Fund.

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

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