



# **News Release**

## **Provincial Auditor**

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### **Government oversight must be improved, says Auditor**

For Release After Report Has Been Tabled

REGINA, June 3, 2004 – Provincial Auditor Fred Wendel today called for improvements in Government oversight, but also commended the Government for improving its accountability. The Auditor's message is contained in his *2004 Report – Volume 1*.

"Most of the agencies we audited had adequate practices to manage public resources," said Wendel. "But specific improvements are still needed at some agencies."

The Department of Government Relations and Aboriginal Affairs is responsible for a fund called the Northern Revenue Sharing Trust Account. The Account provides money to northern municipalities for operations, water and sewer systems, and facilities. In 2003, the Account spent \$17 million. The Department does not adequately oversee the Account's operations. The Department needs to set goals and objectives for the Account and communicate these to the staff managing the Account. The Department needs to determine what reports it should receive from the Account. The Department must monitor these reports to assess whether the Account is achieving the Department's objectives. "These are continuing problems," said Wendel. "They must be addressed."

The Department of Environment does not adequately regulate air emissions in the Province. The Department is responsible for protecting Saskatchewan's air quality. The Department regulates air emissions through a permit system. The Department must improve its processes to ensure it issues permits appropriately. The Department also needs to apply its permit rules more consistently. To adequately regulate air emissions, the Department must effectively monitor and enforce compliance with permits.

CommunityNet is a high-speed computer network that connects government departments, health facilities, schools, and libraries. It provides its users with access to the Internet. CommunityNet carries confidential information. It needs to be secure. However, the Government does not adequately oversee the security of CommunityNet. This is because it is not clear who is responsible for the overall security of the network. The Government needs to make one agency responsible for the overall security of CommunityNet. It should make this agency responsible for monitoring security and for ensuring that any security problems are fixed.

The Report also describes the audit results for the Worker's Compensation Board (WCB). In 2003, the WCB had expenses of \$233 million and received about 39,000 claims from injured workers. The WCB has extensive and generally well-documented processes to administer the claims of injured workers. However, the WCB should also improve its processes. The WCB needs more timely injury reports from employers. The WCB should improve how it identifies claims where recovery may be possible from others. The WCB also needs to improve how it monitors the quality of its claims processes.

SaskTel operates many of its businesses through separate companies that it owns or controls. For the most part, it adequately governs these companies. However, SaskTel should improve how it tells the boards of these companies how it expects them to govern. It must make sure that the companies are as transparent as SaskTel itself. SaskTel should also improve how it assesses the effectiveness of the companies' boards.

The Report notes improvements in the Government's accountability. In its 2005 Budget, the Government for the first time published a financial plan for the entire Government, including the Crown sector. "This is an important step to improve the Government's accountability to the Legislative Assembly and the public," said Wendel.

As well, with the Budget, the Government gave the Legislative Assembly performance plans for all government departments and for three government corporations: Saskatchewan Property Management Corporation, Saskatchewan Liquor and Gaming Authority, and Saskatchewan Watershed Authority. "This information is timely because it allows legislators to look at what the agencies intend to achieve before approving money for them," said Wendel.

The Report also notes another significant development in accountability. Information Services Corporation (ISC) administers Saskatchewan's land titles, surveys, geographical information, and personal property registry. ISC reports its results using a "Balanced Scorecard." The Balanced Scorecard looks not only at financial performance, but also at other aspects of performance, including innovation and learning, customer satisfaction, and public policy. For 2003, ISC has included an audit report with its Scorecard results. "This marks the first time a Saskatchewan Crown corporation has provided audit assurance with its Balanced Scorecard information," said Wendel. "This provides legislators and the public with independent assurance of the information's reliability."

The Government delivers services through nearly 300 agencies, including departments, Crown corporations, boards and commissions. The *2004 Report – Volume 1* covers about 150 of these agencies—mostly those with December 31, 2003 year-ends. The Auditor's planned *2004 Report – Volume 3* will focus on agencies with March 31, 2004 year-ends.

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

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