



SASKATCHEWAN

News Release

Provincial Auditor

Auditor focuses on risks to public resources

For immediate release

REGINA, December 6, 2005—Provincial Auditor Fred Wendel today released his *2005 Report—Volume 3*. The Report focuses on risks the Government faces in delivering its programs and services. The Report recommends how the Government can improve its risk management.

Public resources are at risk if policies to protect the resources are inadequate or absent. For example, information technology plays a crucial role in helping the Government provide services. In using information technology, government agencies must ensure the confidentiality, integrity, and availability of their information systems and data. The Report describes how agencies, including the Department of Community Resources and Employment, Liquor and Gaming Authority, Saskatchewan Cancer Foundation, six health regions, and the Public Employees Pension Plan need to improve their information technology security policies.

The Auditor also notes the importance of government agencies continuing to deliver critical services in the event of a disaster. The Report indicates several agencies need to complete and test business continuity plans to help ensure they can continue to provide their most important services. The agencies named in the Report include Health, Community Resources and Employment, and Justice.

Public resources are also at risk—even where policies are adequate—if employees do not follow the policies. The Report describes a loss of \$247,000 at two liquor stores. The Liquor and Gaming Authority discovered the loss. The Report notes that employees did not follow procedures in place that would have detected the loss of money earlier and reduced the size of the loss. The Authority needs to better supervise employees to ensure they comply with policies. “Government agencies must improve supervision to ensure that policies are followed,” said Wendel.

A fundamental risk to Government is that it will not achieve its objectives. “Government agencies need to set performance targets to allocate resources and monitor progress,” said Wendel. The Report points out that there are few performance targets in the reports that health regions provide to the Department of Health.

The Auditor also notes the importance of government agencies making key performance targets public. The Department of Finance has developed a schedule that guides the performance reporting of departments. The Auditor observes that Finance has not set a date by which departments should make targets public. “Government agencies should publish

key performance targets in public plans and reports. Performance targets would give legislators—and the public—better information to understand and assess Government performance.”

The Government also faces risks related to the sustainability of its spending. While the Auditor described the state of the Government’s overall finances in his *2005 Report—Volume 2*, in this Report the Auditor considers the financial sustainability of the health system. The Report presents six financial and economic indicators to help contribute to an informed debate about health spending. The Report points out that health spending has increased from 29.6% to 36.2% of the Government’s total spending over the last 10 years.

The Government must also manage risks related to the environment. In his *2004 Report—Volume 1*, the Auditor reported on the Department of Environment’s processes to regulate air emissions. In this Report, the Auditor examines Environment’s processes to regulate the quality of drinking water. Environment needs to document its quality control reviews to ensure inspectors do their job appropriately and consistently, and ensure that required follow-up procedures take place when tests identify poor drinking water.

The Auditor’s *2005 Report—Volume 3* covers 130 government agencies with March 31, 2005 year-ends. Volume 1 of the Report was tabled June 7, 2005, and covered agencies with December 31, 2004 year-ends. Volume 2, tabled in September 14, 2005, described the state of the Government’s finances.

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The *2005 Report—Volume 3* is available on the Internet at www.auditor.sk.ca.

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