



News Release

Provincial Auditor

Government finances much improved, but prudent management still required

For immediate release

REGINA, September 4, 2008 – The Government’s financial condition has significantly improved, according to Provincial Auditor Fred Wendel. Large increases in revenue helped the Government’s finances but show how dramatically revenues can change. “The Government needs a strong financial condition to withstand swings in its revenue,” said Wendel. “The Government must continue to manage its spending and debt carefully.”

The Auditor points out in his 2008 Report – Volume 2, *Understanding the Finances of the Government*, that the Government’s revenues increased almost 20% for the year ended March 31, 2008. This was primarily because of increased revenue from non-renewable resources such as oil, natural gas, and potash.

The increased revenue helped the Government record an annual surplus of almost \$1.9 billion. This was about \$2.6 billion more than the Government’s original estimate (which was for a \$700 million deficit). The volatility of the revenue makes it important to be prudent about spending.

The Auditor’s report also points out that the Government has fallen behind other provincial governments in how it reports on its finances. “Other provincial governments are focusing on financial information that reports on all government activity,” said Wendel. But in Saskatchewan, the Government continues to focus on the General Revenue Fund, which includes only part of the Government’s activities. “The Government’s current financial reporting practices create confusion for legislators and the public.”

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The *2008 Report—Volume 2* is available on the Internet at www.auditor.sk.ca.

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