



PROVINCIAL AUDITOR  
*of Saskatchewan*

# STRATEGIC PLAN

2021

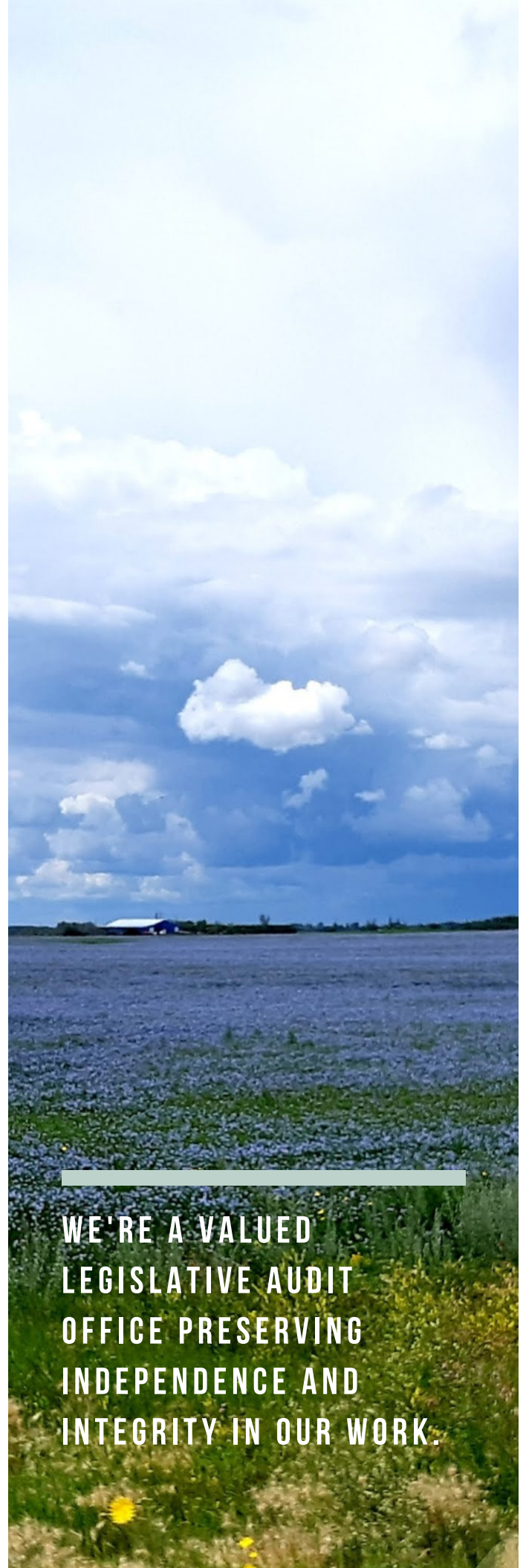
2024



Our Strategic Plan outlines what the Office intends to accomplish from 2021 to 2024 to achieve its vision and mission by expanding on who we are, what we do and how we support Saskatchewan's Legislative Assembly, government and public service.

It provides a foundation for the Office's Business and Financial Plans provided to the Standing Committee on Public Accounts (PAC) each year, as well as a strategic framework to assess and to report on the Office's performance.

In addition, our Strategic Plan highlights our value and presents an opportunity to outline the performance measures we strive to fulfill in advancing excellence and inspiring confidence in the public sector through our work.



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**WE'RE A VALUED  
LEGISLATIVE AUDIT  
OFFICE PRESERVING  
INDEPENDENCE AND  
INTEGRITY IN OUR WORK.**

## MISSION

Preserving independence, we promote accountability and better management of public resources.

## VISION

A valued legislative audit office, advancing excellence and inspiring confidence in the public sector.

## VALUES

### INDEPENDENCE

We maintain objectivity

### TRUST AND INTEGRITY

We are professional, honest, courteous, and fair

### ACCOUNTABILITY

We take responsibility for our work and performance

### LEADERSHIP

We lead by example, motivate others to act, and promote teamwork

### FLEXIBILITY

We support a flexible and healthy work environment

### LEARNING

We promote on-going development and improvement

### DIVERSITY OF THOUGHT

We respect strength gained from our varied experiences, knowledge, and backgrounds



# PURPOSE OF OUR OFFICE

## WHO WE ARE

We are the external, independent auditors of the Government of Saskatchewan, and a statutory Officer of the Legislative Assembly. The Provincial Auditor's Office is responsible for evaluating and reporting on the reliability of government operations, on the management systems and practices in a wide range of government organizations, and for identifying opportunities for better systems and business practices.

By sharing our audit results, we provide assurance and advice to the Legislative Assembly and the public on the management, governance, and effective use of public resources. This fosters accountability and transparency with respect to Government performance, systems, and practices.

## WHAT WE DO

Our Office is responsible for auditing all public money managed by the Government of Saskatchewan.

*The Provincial Auditor Act* outlines the Provincial Auditor's responsibilities. We report our findings directly to the Legislative Assembly through our annual and special reports. Special reports may be requested by the Standing Committee on Public Accounts (PAC), the Legislative Assembly, or Cabinet.

Our Office assists the all-party Standing Committees on Public Accounts and Crown & Central Agencies to review our reports, public accounts, and other special reports. We also encourage discussion and debate on public sector management and accountability issues. Our reports are public documents.

# PURPOSE OF OUR OFFICE

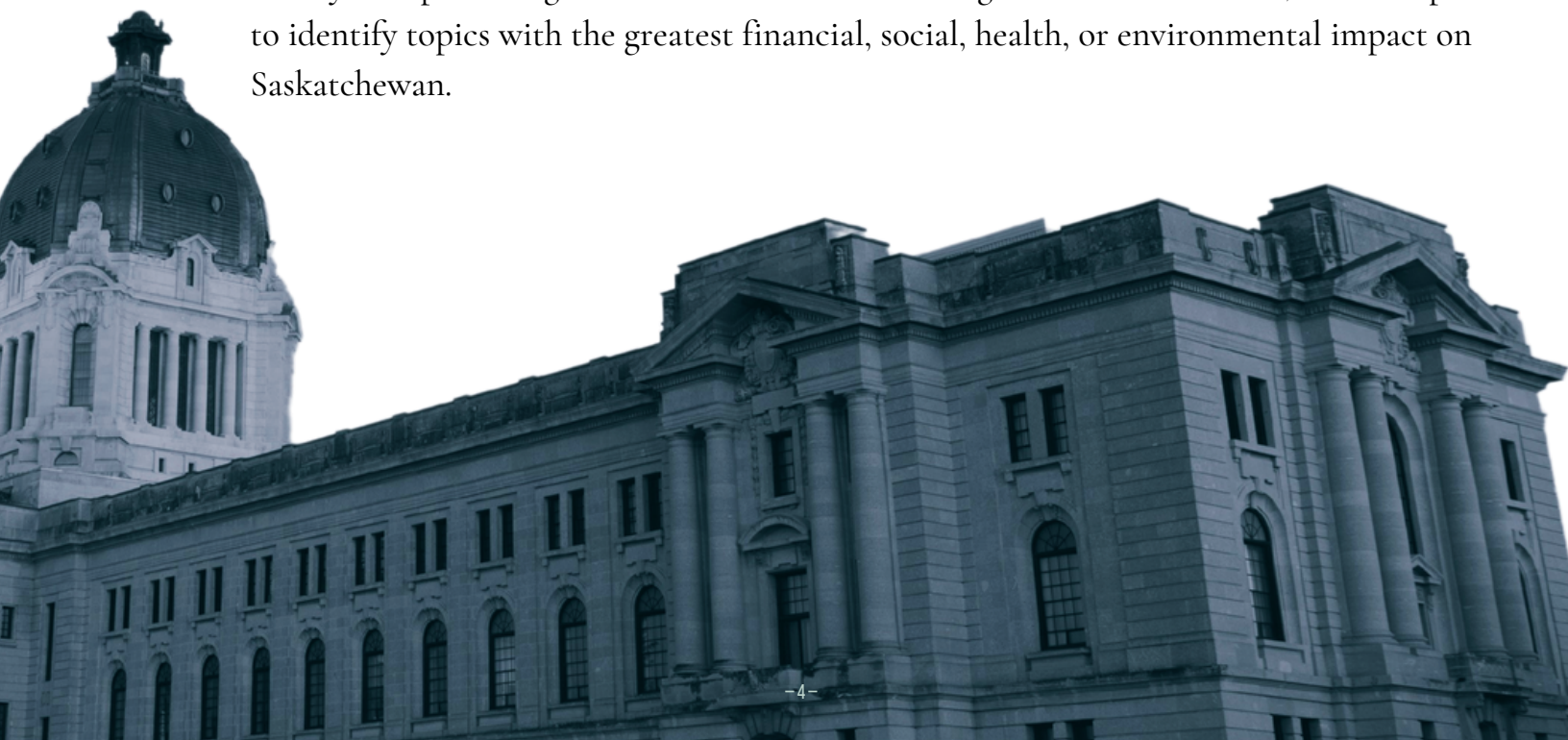
We audit more than 230 agencies of the provincial Government, including ministries, Crown-controlled corporations, Crown agencies, post-secondary institutions, health agencies, funds and benefit plans in a range of industries and government sectors such as education, health, social services, insurance, finance, environment, agriculture and infrastructure.

We complete both annual integrated and performance audits.

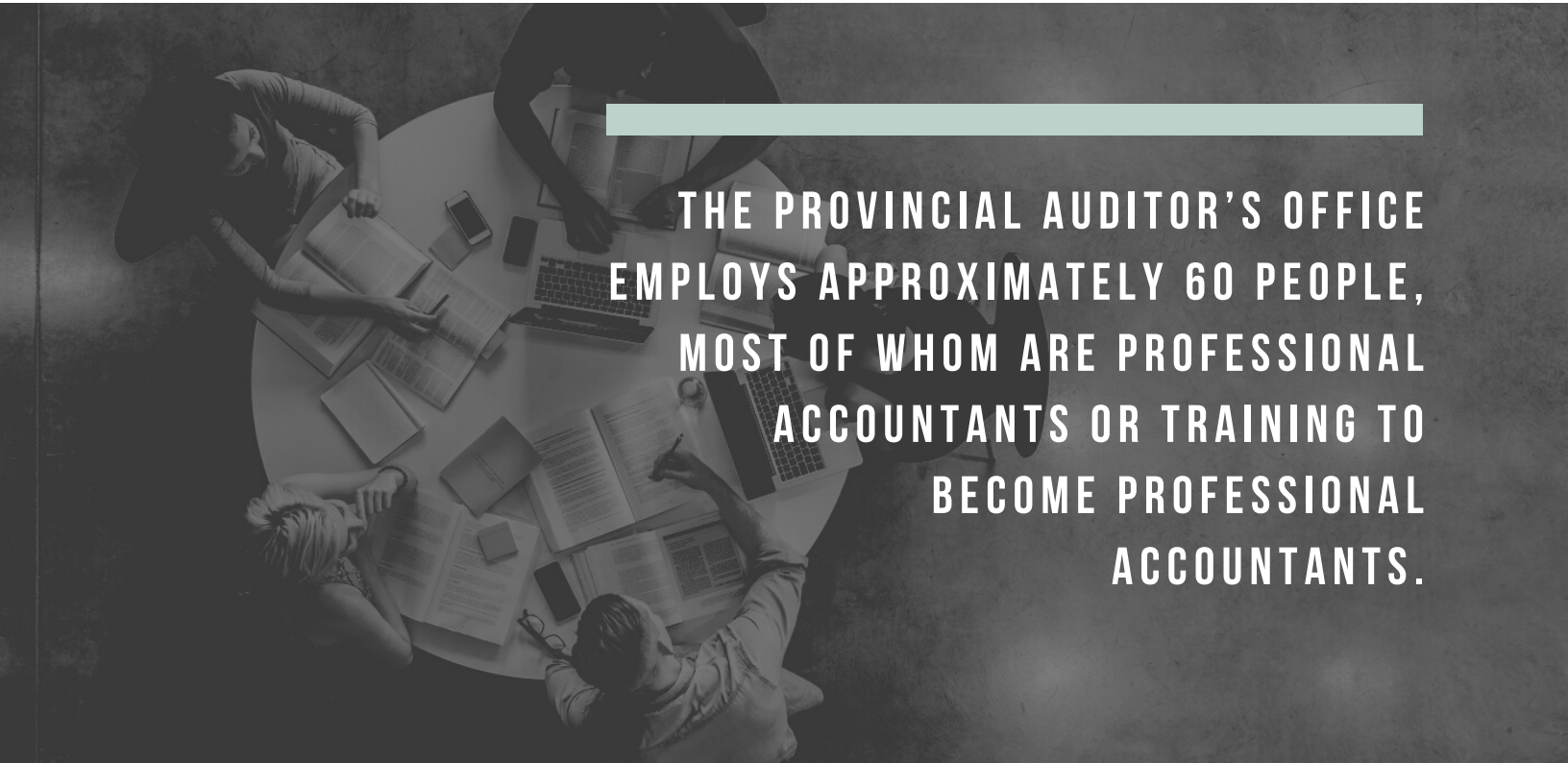
*Integrated audits* examine an agency's:

- Effectiveness of financial-related controls (e.g., processes to plan, evaluate, and coordinate financial activities) to safeguard public resources with which they are entrusted;
- Compliance with authorities governing their activities related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing;
- Reliability of the financial statements (where applicable).

*Performance audits* take a more in-depth look at processes related to management of public resources or compliance with legislative authorities. Performance audits span a variety of topics and government sectors. In selecting which areas to audit, we attempt to identify topics with the greatest financial, social, health, or environmental impact on Saskatchewan.



# STRATEGIC GOALS & PRIORITIES



THE PROVINCIAL AUDITOR'S OFFICE  
EMPLOYS APPROXIMATELY 60 PEOPLE,  
MOST OF WHOM ARE PROFESSIONAL  
ACCOUNTANTS OR TRAINING TO  
BECOME PROFESSIONAL  
ACCOUNTANTS.

## KEY RISKS, AND EXTERNAL FORCES & TRENDS

The Office sets its strategic goals and supporting strategic priorities within the context of its key risks, and external forces and trends. Careful and prudent management of key risks and appropriate consideration for identified external forces and trends are critical to the Office achieving its goals.

Key risks include:

- Our stakeholders do not support our goals and objectives
- Government does not act on our recommendations
- The Standing Committees on Public Accounts and Crown & Central Agencies do not fulfill their responsibilities
- We do not have the required competencies and resources to deliver our products and services
- We do not manage our resources effectively
- We do not understand or respond to the challenges faced by our stakeholders
- We lose, or are perceived to lose, our independence
- We provide inappropriate, incorrect assurance and advice

Further details on external forces and trends set out in Appendix 2.

# STRATEGIC GOALS & PRIORITIES

## GOAL 1: FOCUS ON THE MOST RELEVANT AUDIT AREAS

STRATEGIC PRIORITY #1 – USE INPUT FROM KEY STAKEHOLDER GROUPS TO IDENTIFY AREAS OF FOCUS

STRATEGIC PRIORITY #2 – EXPLAIN AREAS OF AUDIT FOCUS TO KEY STAKEHOLDERS

As an independent legislative audit office, the Office is uniquely positioned to carry out objective and unbiased audits independent of the Government.

*The Provincial Auditor Act* makes the Office the auditor of all provincial Government ministries and agencies. The Act provides a solid framework for the Office's independence. For example, it gives the Office the power to decide what work to do, how to carry it out, and when.

For the Office's work to be relevant, it must focus its audit efforts on areas of public interest, and on where it can add value to its clients, and other key stakeholders (e.g., legislators). The Office must consult with key stakeholders to understand their needs and perspectives, share its plans, and explain the impact and value of its work.

## GOAL 2: SUSTAIN AN ENGAGED WORK FORCE

STRATEGIC PRIORITY #1 – FOSTER A WORK ENVIRONMENT REFLECTIVE OF OUR VALUES

STRATEGIC PRIORITY #2 – DEVELOP LEADERS

STRATEGIC PRIORITY #3 – RECRUIT AND RETAIN QUALIFIED EMPLOYEES

The Office's employees remain its most valuable resource because the quality and timeliness of our work depends on their knowledge, skills, and professionalism.

The Office must ensure its employees possess and maintain the necessary knowledge and skills to carry out quality financial (integrated) and non-financial (performance and follow up) audits. It must provide employees with a supportive work environment conducive to facilitating timely and quality work.

Besides training employees to become professional accountants and strategically contracting expertise for its non-financial work, the Office must attract and retain employees with diverse skill sets (e.g., financial, information technology, internal control systems, performance management, governance, risk management).

# STRATEGIC GOALS & PRIORITIES

## GOAL 3: DELIVER QUALITY AUDITS AT A REASONABLE COST

STRATEGIC PRIORITY #1 – MEET EVOLVING PROFESSIONAL STANDARDS

STRATEGIC PRIORITY #2 – CONTINUOUSLY IMPROVE OUR WORK

STRATEGIC PRIORITY #3 – MANAGE RESOURCES BASED ON REASONABLE BUDGETS AND AGREED UPON DEADLINES

The Office's advice, findings, and recommendations must be accurate, fair, timely, and understandable for them to be of value to legislators, the public, and those we audit.

The Office must keep its audit methodology current and aligned with professional standards. In addition, it must implement its methodology efficiently and economically. This includes accepting new ideas and change.

## GOAL 4: INCREASE AWARENESS OF THE OFFICE

STRATEGIC PRIORITY #1 – EDUCATE STAKEHOLDERS ABOUT THE VALUE OF OUR WORK

STRATEGIC PRIORITY #2 – BROADEN OR IMPROVE ACCESS TO OUR WORK

Gaining and keeping the trust of legislators and the public is key to the Office being a credible and trusted advisor to legislators and the public.

The Office must be well positioned to clearly communicate its purpose, its independence, its work, and how it is accountable. This includes explaining how it manages potential or perceived threats to its independence. Clear and open communications helps ensure legislators, the public, and others have a clear and accurate understanding of the Office's role and responsibilities.



# PERFORMANCE MEASURES & TARGETS

## GOAL 1: FOCUS ON THE MOST RELEVANT AUDIT AREAS

### GOAL 1 PERFORMANCE TARGET: THE STANDING COMMITTEES ON PUBLIC ACCOUNTS (PAC) AND CROWN AND CENTRAL AGENCIES (CCAC) COLLECTIVELY ACCEPT 95% OF OUR RECOMMENDATIONS

The support of the Standing Committees on Public Accounts (PAC) and Crown and Central Agencies (CCAC) is critical to help hold the Government accountable and help improve public sector management. Each Committee decides whether they agree with the Office's recommendations in their review and consideration of the Office's reports.

The Committees' acceptance of our recommendations is an indication of the Assembly's confidence in and satisfaction with the Office's work.

The extent to which each Committee accepts recommendations demonstrates the Committee thinks the recommendations reflect areas that are important to improve public sector management and/or accountability.

The Office tracks the Committees' consideration of its recommendations over a five-year period using Committee decisions as reflected in the Committees' minutes.

### GOAL 1 PERFORMANCE TARGET: THE GOVERNMENT ACTS ON 93% TYPE 1 AND 95% TYPE 2 RECOMMENDATIONS

The Office makes recommendations to help improve accountability and the delivery of programs.

The extent to which the Government acts on recommendations demonstrates that the recommendations reflect areas that are important to improve public sector management and, in part, the impact of the Office's work.

The Office groups recommendations into two types:

- Type 1 recommendations are those that are less complex, easier to carry out, and can be implemented in one year; these are tracked over a five-year period
- Type 2 recommendations are those that are more difficult to carry out and may take up to five years to implement; these are tracked over a 10-year period

The Office determines and tracks the extent to which the Government implements each of its recommendations.

# PERFORMANCE MEASURES & TARGETS

## GOAL 1 PERFORMANCE TARGET: 80% OF AUDITEE RESPONDENTS TO POST-AUDIT SURVEYS VIEW THE OFFICE'S WORK AS ADDED VALUE AND ARE SATISFIED WITH OUR WORK

For the Office to be successful in its vision and mission, auditees must view the Office's work as relevant and valuable. The management and/or governing bodies of public sector ministries and agencies the Office audits are respondents.

The Office surveys auditees to obtain their feedback as to whether the Office's work adds value as well as on their satisfaction with the Office's work.

The Office tracks survey responses over a five-year period.

## GOAL 2: SUSTAIN AN ENGAGED WORK FORCE

### GOAL 2 PERFORMANCE TARGET: MAXIMUM OF 13% OF EMPLOYEES VOLUNTARILY LEAVE THE OFFICE ANNUALLY

The Office's employees are its most valuable resource in the delivery of quality and timely products and services to its stakeholders.

The Office trains professionals for public service (primarily professional accountants). As a Chartered Professional Accountant (CPA) training office, not all staff will pursue a legislative audit career with the Office once they achieve their CPA. As a result, the Office expects, and plans for, some turnover each year.

Voluntary turnover is due to an employee-initiated departure and does not include retirements, leaves, deaths or dismissals. Voluntary turnover to a maximum of 13% is realistic and manageable for the Office on an annual basis. The Office tracks voluntary turnover as a percentage of its permanent positions.

### GOAL 2 PERFORMANCE TARGET: AT LEAST 80% OF EMPLOYEES (SURVEY RESPONDENTS) EXPRESS POSITIVE ENGAGEMENT IN THE OFFICE

A good working environment for employees assists with productivity and retention. Each year, the Office surveys employees on satisfaction with the Office's working environment and their level of engagement.

The Office tracks survey responses and reports trends for a five-year period.

# PERFORMANCE MEASURES & TARGETS

## GOAL 2 PERFORMANCE TARGET: MINIMUM OF 6% OF EMPLOYEE WORKING HOURS SPENT ON TRAINING AND DEVELOPMENT

To maintain employee competencies and its status and abilities as a training office for legislative auditors, the Office must allocate sufficient resources for training and development activities.

The Office tracks the number of working hours each employee spends on training and development activities in its time and project management system. Working hours is the time available after deducting vacation leave, statutory holidays, and sick leave.

## GOAL 3: DELIVER QUALITY AUDITS AT A REASONABLE COST

### GOAL 3 PERFORMANCE TARGET: PUBLIC REPORTS SUBMITTED TO THE ASSEMBLY WITHIN ESTABLISHED TIME FRAMES (VOLUME 1 – FIRST TWO WEEKS OF JUNE; VOLUME 2 – FIRST TWO WEEKS OF DECEMBER)

Legislators and the public need to receive our audit work results within a reasonable time frame after its completion to use the information in holding the Government to account.

The Office schedules reporting to the Legislative Assembly regularly (e.g., biannually) on the completion of its reports and on the results of its work. The public receives audit results in the reports following completion. Consistent with *The Provincial Auditor Act*, the Office submits its reports to the Speaker for tabling in the Assembly, which become publicly available once tabled.

### GOAL 3 PERFORMANCE TARGET: 75% OF ASSURANCE REPORTS ISSUED TO GOVERNMENT AGENCIES BY AGREED UPON DATES

Government agencies need timely assurance to have confidence in the Office's findings and recommendations.

The Office tracks the timeliness of its reports to government agencies as compared to established planned dates. The Office establishes deadlines when planning each audit and sets out planned dates in audit plans discussed with and provided to government agencies. For financial statement audits, the Office sets planned dates consistent with statutory tabling deadlines.

# PERFORMANCE MEASURES & TARGETS

## GOAL 3 PERFORMANCE TARGET: 70% OF AUDITS COMPLETED WITHIN PLANNED COSTS

Providing relevant, reliable, and timely products and services at a reasonable cost helps the Office show it uses public resources wisely.

The Office tracks planned and actual costs to carry out each examination in its time and project management system.

The Office's *Annual Report on Operations* compares actual costs to examine agencies for that year to planned costs (as set out in the Office's annual *Business and Financial Plan*). It explains significant differences, if any.

## GOAL 3 PERFORMANCE TARGET: ALL EXTERNAL PARTIES REVIEWING THE OFFICE REPORT POSITIVE RESULTS

Three external parties review the various aspects of the Office—CPA Saskatchewan, Canadian Council of Legislative Auditors (CCOLA), and an auditor independent of the Office.

Because the Office is a licensed firm and training office under *The Accounting Profession Act*, CPA Saskatchewan periodically (at least once every four years) inspects the Office. CPA Saskatchewan assesses whether the Office has policies, practices, and procedures in place that enable it to provide public accounting services in accordance with the standards of the profession. Positive results mean no reportable deficiencies that result in the requirement for re-inspection within one year.

As a member of CCOLA, the Office voluntarily participates in the inter-jurisdictional peer review process of CCOLA. Every second year, it asks another legislative audit office to review a number of its audit files. This review determines whether the Office's audit work complied with generally accepted auditing standards published by CPA Canada (professional standards). Positive results are when reviewers report compliance with the professional standards.

The Assembly, through *The Provincial Auditor Act*, requires an annual audit of the Office by an auditor who is independent of the Office. The Act gives this auditor the same audit responsibilities as the Office. Each year, this auditor provides the Assembly with their opinion on the following:

- The reliability of the Office's financial statements
- The effectiveness of the Office's financial controls
- The Office's compliance with *The Provincial Auditor Act*
- The reliability of the Office's key non-financial performance indicators

The Office includes these in its *Annual Report on Operations*. Positive results are when the auditor of the Office issues unqualified opinions (no significant reportable matters).

# PERFORMANCE MEASURES & TARGETS

## GOAL 4: INCREASE AWARENESS OF THE OFFICE

### GOAL 4 PERFORMANCE TARGET: POSITIVE TREND OVER A FIVE-YEAR PERIOD IN PUBLIC FAMILIARITY WITH THE OFFICE

To achieve the Office's vision and mission, it is important the public is aware of the Office's work and the role of the Provincial Auditor as an independent Officer of the Legislative Assembly.

To measure the public's awareness of the Office, each year, the Office participates in an Omnibus survey of Saskatchewan residents and tracks its results. The survey asks participants how familiar they are with the Office of the Provincial Auditor.



# APPENDIX 1: KEY DEFINITIONS AND ACRONYMS

**CCAC**—The Standing Committee on Crown and Central Agencies

**CCOLA**—The Canadian Council of Legislative Auditors

**Key Stakeholders**—include its primary clients (i.e., legislators such as members of the PAC and CCAC, and the public), and the governing bodies, management and staff of the entities that it audits (e.g., ministries, Crown corporations, and other agencies).

**Mission**—The fundamental purpose or why an organization exists, what it does, for what purpose, and who its clients are.

**PAC**—The Standing Committee on Public Accounts

**Performance Measure**—An indicator of success that marks progress towards goals and is fundamental to measuring alignment to the organization's vision, mission, and values.

**Strategic Goal**—Statement that establishes time bound 'stretch' that, if achieved, would advance the organization toward its vision.

**Strategic Priority**—A change condition necessary to achieve the organization's goal that requires investment (i.e., people, time, money, other resources).

**Target**—A clear and measurable definition of success that signals what is important, tells what is expected (e.g., how much by when), and helps focus attention.

**Value Statement**—Way of being believed to be critical to the organization's success (i.e., behavioural guidance). The Office uses value statements to guide the Office and its staff. The value statements highlight specific behaviours expected of the Office and its staff; adherence to them is critical to the Office's achievement of its mandate and success.

**Vision**—A description of the preferred future state written as an aspirational statement.

# APPENDIX 2: EXTERNAL FORCES & TRENDS

## EXTERNAL FORCES & TRENDS

These forces and trends affect both the Office and its stakeholders:

1. Changing demographics
2. Technology change
3. Evolving reporting frameworks, increased regulatory oversight of professional accountants
4. Changes in government service delivery models and accelerated program development
5. Changes in the public sector workforce
6. Sustainability and protecting the environment
7. Focus on nature, scope and scale of government infrastructure including financing arrangements
8. Impact of global forces on Saskatchewan

They affect the Office's resources, how it manages, and how it decides what work it does and when. The Office focuses its efforts on helping stakeholders address the challenges emerging from these forces and trends as well as more specific issues.

### CHANGING DEMOGRAPHICS — INCREASED FOCUS ON DIVERSITY AND SOCIAL JUSTICE; PUBLIC POLARIZATION AND TRUST EROSION

- Diversification and growth of Saskatchewan's population and proportion of Indigenous people and immigrants
- Increased economic disparity
- An aging population with increased pressure to remain in their own homes
- Impact of demographics and socio-economic status on the delivery of public services
- Increased awareness of mental health challenges affecting government programs, resources, and employers
- Increasing distrust in public institutions
- Growing gap of public views and perspectives (e.g., political polarization, racism)

# APPENDIX 2: EXTERNAL FORCES & TRENDS

## EXTERNAL FORCES & TRENDS

### TECHNOLOGY CHANGE — INCREASING COMPLEXITY, USE OF ARTIFICIAL INTELLIGENCE AND DATA ANALYTICS

- High use of social media communication tools (e.g., Facebook, Twitter, blogs, YouTube) giving increased ability for public to raise and debate an issue immediately
- Increased emphasis on use of websites and real-time communication in service delivery
- Changing service delivery expectations resulting from technological advances (e.g., use technology to do work better and faster; allow greater flexibility in how service is provided)
- Increased challenges with accurately capturing and analyzing data
- Growth in computer processing power and drops in price of technology driving changes in service models
- Increased use of technology (e.g., wireless and handheld systems, cloud computing) causing new audit, security, and privacy risks (e.g., changing regulation, protection of personal and private information, and regulation thereof)

### EVOLVING REPORTING FRAMEWORKS, INCREASED REGULATORY OVERSIGHT OF PROFESSIONAL ACCOUNTANTS

- Consideration of public interest by standard setters and regulators influencing audit quality, accounting and assurance standards, and conceptual frameworks
- Changes in professional accounting and assurance (auditing) standards creating need for new training, ongoing development, and new processes
- Differing financial reporting frameworks add complexity to understanding the government's finances and to the preparation of summary financial information (budget and financial statements)
- Changing audit reporting model (key audit matters) impacting audit reports and discussions with those charged with governance
- Continuing expectation gap about the role of the auditor in detecting fraud

# APPENDIX 2: EXTERNAL FORCES & TRENDS

## EXTERNAL FORCES & TRENDS

### CHANGES IN GOVERNMENT SERVICE DELIVERY MODELS; ACCELERATED PROGRAM DEVELOPMENTS

- Public demand for openness and transparency
- Expectations for direct and meaningful public participation in decision making
- Emphasis on effective governance systems and practices of governing bodies
- Increased use of alliances and partnerships with other jurisdictions, governments, and private sector
- Regulatory changes impacting provincial program delivery (e.g., children in care, climate change)
- Emphasis on risk assessment, and adoption of research-proven best practices impacting selection of audit criteria
- Pressure on administration to achieve efficiencies may cause deliberate or inadvertent elimination or ignoring of key processes
- Increased pressure for virtual delivery of services (e.g., distance learning, e-learning options)

### CHANGES IN THE PUBLIC SECTOR WORKFORCE — ATTITUDES/ EXPECTATIONS; ALTERNATIVE WORK ARRANGEMENTS

- Multiple generations in the workplace with differing values and styles (e.g., use of social media, working from home)
- Employee turnover resulting from global mobility of people to pursue multiple careers; loss of employer loyalty
- Cultural diversity in the workplace
- Loss of corporate knowledge and history resulting from retirements of baby boomers employed in the public sector
- Increased opportunity for changing service delivery models given nature and extent of changes in workforce
- Increasing competition for the best employees
- Delayed retirements because of poor or lower than desired investment returns
- Reduced size of the public sector workforce impacting program quality and service delivery
- Ability to hire and retain employees given increased concerns over competitiveness of public sector compensation

# APPENDIX 2: EXTERNAL FORCES & TRENDS

## EXTERNAL FORCES & TRENDS

### SUSTAINABILITY AND PROTECTING THE ENVIRONMENT

- More severe and intense weather events such as floods, fires, tornadoes, droughts, etc. requiring unanticipated public resources and timely responses (emergency management)
- Increasing public expectations for sustainable development and management; need for longer term planning and strategies (e.g., climate change strategy)
- New results-based regulatory systems
- Impact of international and federal expectations on provincial environmental programs and policies

### FOCUS ON NATURE, SCOPE AND SCALE OF GOVERNMENT INFRASTRUCTURE INCLUDING FINANCING ARRANGEMENTS

- Need for long-term capital planning and asset management practices given aging infrastructure, growing infrastructure deficits, and fiscal restraint
- Use of public-private partnerships and other forms of private capital to fund public services
- Balancing the demands for certain technology-based infrastructure (cellular and digital networks) with high cost and fast pace of obsolescence
- Continued focus on risk management, governance in the public sector
- Need to understand, explain, and audit complex arrangements (e.g., who holds which risks, accountability for delivering on commitments, basis for key decisions, long term impact)

### IMPACT OF GLOBAL FORCES ON SASKATCHEWAN

- Influence of global events on financial and capital markets, ability and cost to borrow, and repay debt
- Impact of resource economy (agriculture, oil, potash, etc.) on provincial revenues
- Requirement to work with other governments increasing importance of effective relationships with them
- Economic, security, infrastructure, and global pandemic risks resulting from tension in relationships with other countries

# THE OFFICE OF THE PROVINCIAL AUDITOR OF SASKATCHEWAN

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Visit our website for this report and further information about the Office, additional publications, including public Reports, Business and Financial Plans, and more.



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