



PROVINCIAL AUDITOR  
*of Saskatchewan*

November 28, 2017

The Honourable Corey Tochor  
Speaker of the Legislative Assembly  
Room 129, Legislative Building  
Regina, Saskatchewan  
S4S 0B3

Dear Sir:

I have the honour of submitting my Business and Financial Plan for the year ended March 31, 2019, to be laid before the Legislative Assembly in accordance with the provisions of section 14.1 of *The Provincial Auditor Act*.

Respectfully submitted,

A handwritten signature in black ink that reads "Judy Ferguson".

Judy Ferguson, FCPA, FCA  
Provincial Auditor

/ah





# Table of Contents

<b>Introduction.....</b>	<b>ii</b>
<b>1.0 The Office of the Provincial Auditor .....</b>	<b>1</b>
1.1 Purpose of the Office of the Provincial Auditor .....	2
1.2 Accountability of the Office .....	2
1.3 Auditor Independence .....	4
1.4 Staffing .....	4
1.5 Maintaining Effective Systems and Practices Including Mitigating Risks .....	5
<b>2.0 2018-19 Funding Request.....</b>	<b>7</b>
2.1 Introduction .....	8
2.2 2018-19 Funding Request.....	8
2.3 Provincial Auditor's Estimates .....	9
2.4 Factors, Forces, and Trends Affecting the Appropriation .....	10
<b>3.0 Annual Work Plan for 2018-19 and Supporting Schedules.....</b>	<b>14</b>
3.1 Glossary.....	15
3.2 Audited Financial Forecast .....	16
3.3 Historical Comparison of the Costs of the Office's Work Plans.....	27
3.4 Forecast and Actual Full-Time Equivalent Positions and Average Salaries of Employees .....	27
3.5 Training Schedule .....	28
<b>4.0 Other Supporting Information .....</b>	<b>29</b>
4.1 Impact of Changes to Government Agencies on the 2018-19 Work Plan .....	30
4.2 Spending Trends .....	31
4.3 Out-of-Province Travel .....	33
4.4 Senior Management Salaries.....	33
4.5 Total Costs to Audit Government Agencies .....	34
4.6 Potential Areas of Focus for Performance Work .....	35
<b>5.0 The Office's 2017-2021 Strategic Plan.....</b>	<b>36</b>



## Introduction

The Legislative Assembly sets out the accountability process for the Office in *The Provincial Auditor Act*. The Act requires the Provincial Auditor to submit to the Speaker, each year for tabling in the Legislative Assembly, two key accountability reports—a business and financial plan, and an annual report on operations.

Under the Act, the Office's key accountability reports are automatically referred to the Standing Committee on Public Accounts upon tabling. When the Legislative Assembly is not in session, the Act deems the reports referred when they are submitted to the Speaker. This report—*Business and Financial Plan for the Year Ended March 31, 2019* (2019 Business and Financial Plan, the Plan)—is one of those two key accountability documents.

This Plan includes the information that the Act requires along with additional supporting information. The Office prepared the Plan using reporting practices set out in the Public Sector Accounting Board's *Statement of Recommended Practice (SORP-2) Public Performance Reporting* published by the Chartered Professional Accountants of Canada.

During 2015-16, the Office undertook a strategic planning process that resulted in a new five-year strategic plan for the period April 1, 2016 to March 31, 2021. **Section 5.0** of this Plan is a copy of the *2017-2021 Strategic Plan*. The Office sought external input at key stages including consulting with key stakeholders and legislators prior to finalizing its strategic plan. The *2017-2021 Strategic Plan* provides the foundation for the development of the *2019 Business and Financial Plan*.

The *2019 Business and Financial Plan* is comprised of three main sections:

- ▶ **Section 1.0 – The Office of the Provincial Auditor** provides a brief description of the Office including its purpose, accountability mechanisms, staffing, and key systems and practices.
- ▶ **Section 2.0 – 2018-19 Funding Request** sets out the 2018-19 Funding Request (Estimates) and factors, forces, and trends affecting the Office's work plan upon which the request is based. The Act requires the Public Accounts Committee to review and approve the Estimates for inclusion in the Estimates tabled in the Legislative Assembly.
- ▶ **Section 3.0 – Annual Work Plan for 2018-19 and Supporting Schedules** provides the Office's Audited Financial Forecast and other key information on trends in costs, average salaries, and training. The Office's Audited Financial Forecast includes planned time spent on tasks and the 2018-19 annual work plan (i.e., planned costs to audit government agencies).

In reviewing this Plan, the Office encourages the Public Accounts Committee members to consider the Office's *2017 Annual Report on Operations*. The *2017 Annual Report on Operations* describes the Office's performance in achieving the goals and objectives set out in the *2017 Business and Financial Plan*. It also includes audited financial statements for the fiscal year ended March 31, 2017.

The Office's annual report for the year ended March 31, 2017 was tabled in the Legislative Assembly on June 22, 2017 and is available on the Office's website.<sup>1</sup> Also, on the Office's website, the Public Accounts Committee members can find the Office's prior business and financial plans (e.g., for the Year Ended March 31, 2018).<sup>2</sup>

<sup>1</sup> Available at [www.auditor.sk.ca](http://www.auditor.sk.ca) under Publications/Our Annual Report on Operations.

<sup>2</sup> Available at [www.auditor.sk.ca](http://www.auditor.sk.ca) under Publications/Our Business and Financial Plans.



## ***1.0 The Office of the Provincial Auditor***





## 1.1 Purpose of the Office of the Provincial Auditor

For the parliamentary system of government to work properly, it must have the public's confidence. To merit this confidence, the Government's programs must be effective, open, and accountable to the public. One important responsibility of the Legislative Assembly is to hold the Government accountable for its management of public resources. The Office of the Provincial Auditor contributes to this accountability process.

Through its three primary outputs, the Office gives legislators and the public critical information to enable them to hold the Government (and its various agencies) accountable for their stewardship over and use of public resources. As shown in **Exhibit 1 – Impact of the Office's Work**, the Office's three primary outputs are assurance (audit reports), advice, and trained professionals for the public service. The Office gives information on whether the Government's financial and other reports are reliable, the Government uses effective processes to safeguard the resources with which it is entrusted (public resources), and the Government has complied with governing authorities. In addition, the Office:

- › Supports and adheres to Canadian generally accepted auditing standards (GAAS) as published by the Chartered Professional Accountants of Canada (CPA Canada)
- › Recommends improvements to the management of public resources and compliance with authorities
- › Encourages discussion and debate about public sector management and accountability issues
- › Assists the Standing Committees on Public Accounts and on Crown and Central Agencies in carrying out their mandates
- › Develops professionals for the public service

The Office's work and reports contribute to informed decision making in government. This, in turn, helps the Government carry out its responsibility using sound management practices.

## 1.2 Accountability of the Office

The Office is accountable to the Legislative Assembly through the Standing Committee on Public Accounts. Key accountability mechanisms in *The Provincial Auditor Act*<sup>3</sup> require the Provincial Auditor to:

- › Prepare and submit, each year to the Public Accounts Committee, key accountability documents—a business and financial plan, and an annual report on operations that includes audited financial statements
- › Present to the Public Accounts Committee, for its review and approval, its annual funding request and supplementary estimates (if any)
- › Table with the Public Accounts Committee, for its information, the Office's human resources and financial management policies, and quarterly financial forecasts
- › Be a member in good standing of the Institute of Chartered Professional Accountants of Saskatchewan including maintaining firm and member licensing requirements for the provision of professional accounting services<sup>4</sup>
- › Use GAAS to carry out its audits

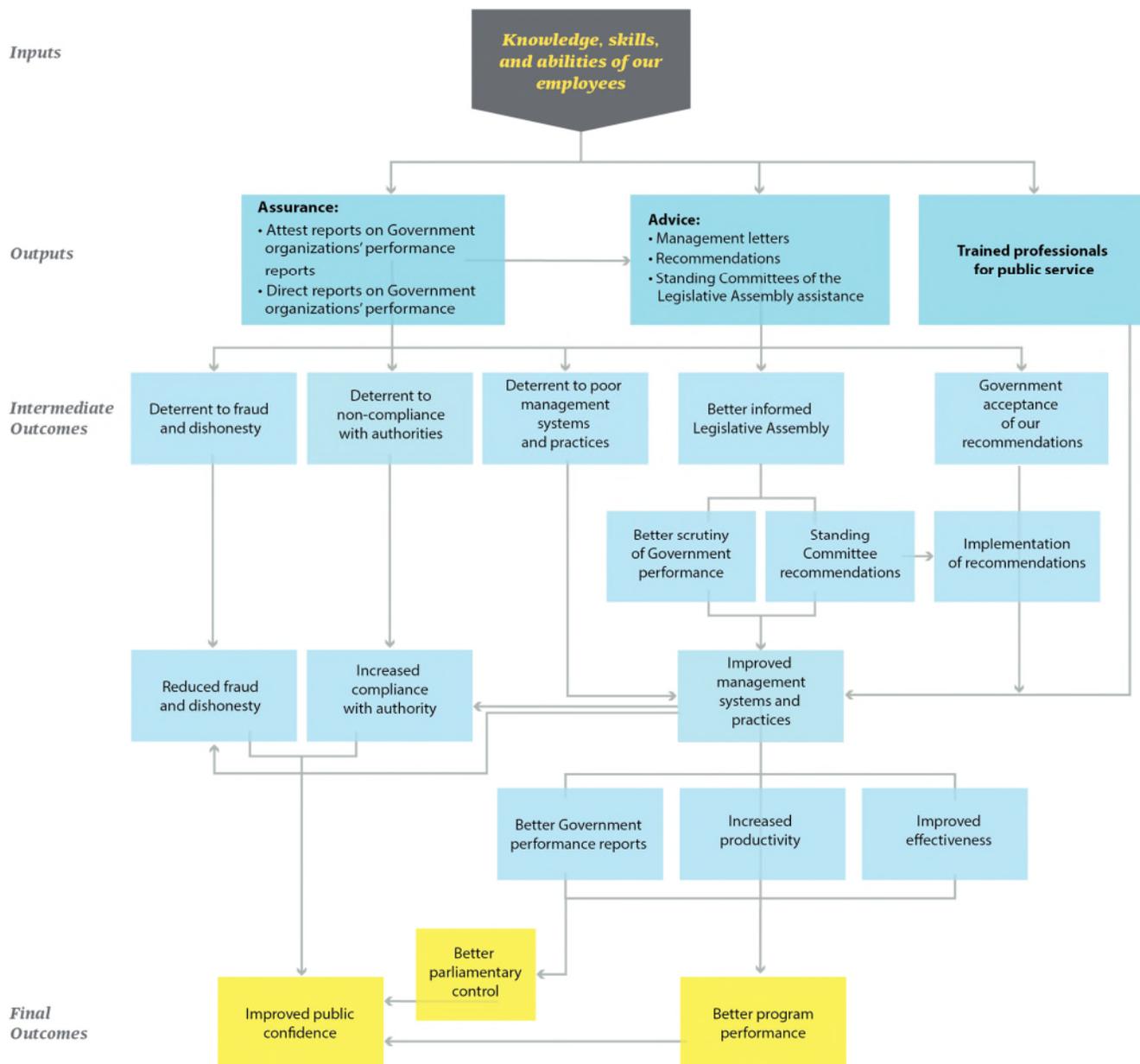
<sup>3</sup> *The Provincial Auditor Act* was last amended on May 15, 2015, through *The Officers of the Legislative Assembly Standardization Amendment Act, 2015*. This Act made various amendments to *The Provincial Auditor Act* such as adding accountability mechanisms, changing the appointment of the Acting Provincial Auditor, handling of suspension of the Provincial Auditor when the Assembly is not in session, and changing the term of the appointment of the Provincial Auditor from ten years to eight years (non-renewable).

<sup>4</sup> *The Provincial Auditor Act* deems the Provincial Auditor a firm for the purposes of *The Accounting Profession Act*.



The Rules and Procedures of the Legislative Assembly of Saskatchewan require the Public Accounts Committee to review and report to the Assembly on the results of its review of the Provincial Auditor's Reports. These reports of the Public Accounts Committee include whether it agrees with recommendations the Office makes in its reports.

### Exhibit 1—Impact of the Office's Work



Source: Working group of Canadian legislative auditors



### **1.3 Auditor Independence**

Auditor independence is critical for a successful legislative audit regime. Auditor independence allows auditors to exercise objectivity—to not be compromised by bias, conflict of interest, or undue influence of others. Independence also enhances professional skepticism (i.e., appropriate challenge of management’s assertions).

To achieve auditor independence, the Provincial Auditor, the Office, and its staff must be independent of the Government and be able to exercise that independence—they must be able to make decisions without being affected by influences that would compromise their judgment.

The Act provides the legislative framework for the independence of the Office and its staff. The Act:

- › Creates an independent Officer of the Legislative Assembly called the Provincial Auditor with the responsibility to audit all government agencies and report the results directly to the Legislative Assembly.
- › Ensures the Provincial Auditor is independent from elected and appointed officials including the Assembly’s committees and boards.
- › Requires an order of the Legislative Assembly based on a unanimous recommendation of the Public Accounts Committee to appoint the Provincial Auditor for an eight-year non-renewable term. The Public Accounts Committee is an all-party committee that does not include Cabinet ministers.
- › Requires an order of the Legislative Assembly to remove the Provincial Auditor from office for cause.
- › Sets the Provincial Auditor’s salary and benefits (e.g., equal to the average salary of all the deputy ministers and acting deputy ministers of the Government of Saskatchewan calculated as at April 1 in each year).
- › Makes the employees of the Office part of the Legislative Branch of Government; they are not part of the Executive Branch of Government) and not members of the public service of Saskatchewan. The Act gives the Office’s employees access to similar benefits as those available to public servants.
- › Requires the Public Accounts Committee to review the Office’s annual *Business and Financial Plan* and recommend the annual funding for the Office.
- › Gives the Provincial Auditor administrative independence—the power to administer, manage, and control the Office and its general business, and oversee and direct the Office’s staff. This includes deciding which employees to hire and at what rate, what audit work to do, and how to carry out the work.

The Office has put into place additional safeguards to enable staff to act with integrity, and exercise objectivity and professional skepticism.

### **1.4 Staffing**

The Office’s employees are its most valuable resource because the quality and timeliness of the Office’s work depends on their knowledge, skills, and professionalism. Creating and maintaining an environment that encourages and rewards ongoing learning is crucial to the Office’s success.

The competencies of the Office’s staff affect what work the Office does for the public, the Legislative Assembly, and the Government. The Office’s staff must have and apply suitable knowledge, skills, and attributes to enable the Office to fulfill its mandate as expected. These include:

- › Objectivity and professional skepticism, because of the Office’s full independence from the Executive Government (i.e., ministries, Crown corporations, boards, commissions, funds)



- › Thorough knowledge of the:
  - Complex structure and systems the Government uses to manage public resources
  - Structure of legislative authorities governing the activities of government agencies related to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing
  - Audit of IT systems
  - Accounting and assurance standards published by CPA Canada
- › Working knowledge of the issues facing government agencies operating in diverse types of businesses including education, health, insurance, protection of people and property, pension and benefit plans, energy, telecommunications, gaming, transportation, renewable resources, non-renewable resources, human resources, construction, and financial services
- › A business view derived from rigorous professional training and practical knowledge of public administration

The Office works with the Canadian legislative audit community (CCOLA) to identify and develop the required competencies for legislative auditors.

The Office has four operating divisions (education, environment and infrastructure, finance, and health) and one support services division. Each division is led by a deputy provincial auditor and has assigned staff. Each operating division has an assigned portfolio of audit work, and is responsible for completing that work within an assigned budget and agreed upon deadlines. The Support Services Division is responsible for human resources including training, performance reporting, IT systems, communications, and general administration.

During 2018-19, the Office expects to employ 60 people (2017-18: 60). As of October 31, 2017, 30 of the Office's employees were professional accountants with 16 training to become professional accountants. Of these professional accountants, 11 have non-accounting designations (e.g., Certified Information System Auditor, Pension Plan Administration Certificate, Certification in Risk Management Assurance). Two audit staff are non-accountants (i.e., MPA, PhD).

## **1.5 Maintaining Effective Systems and Practices Including Mitigating Risks**

Sound risk management and effective systems and practices are essential for the Office's management and use of public resources. As part of risk management, the Office identifies and assesses the possible adverse consequences that it may experience from events or circumstances. Because it is not cost effective to have no risks, the Office accepts some. It uses established systems and practices to reduce those risks to an acceptable level and implements strategies to manage residual risks. **Exhibit 2 – Key Risks and Responses** sets out key risks the Office faces and processes it uses to mitigate those risks.

The Office maintains strong systems and practices supported by policies and procedures so that:

- › The Office provides quality services and products at a reasonable cost
- › The Office's work is relevant—it assists in strengthening and advancing the Government's ability to achieve intended results
- › The scope of the Office's work covers all government agencies accountable to the Legislative Assembly and the people of Saskatchewan
- › Stakeholders understand and value the Office's work



Each year, the Office includes the independent auditor's report on the Office's systems and practices in its Annual Report on Operations. In the *2017 Annual Report on Operations*, the Office's external auditor reported that the Office had effective processes to safeguard public resources entrusted to it by the Assembly. The Office has not made significant changes to its systems and practices since that audit.

### *Exhibit 2—Key Risks and Responses*

**Stakeholders do not support the Office's goals and objectives.** For the Office to remain viable, legislators, the public, and government officials (stakeholders) must support its goals and objectives. Pursuing its goals and objectives must result in relevant assurance (audit reports) and advice for its stakeholders. The Office uses strategic planning processes so that its goals and objectives result in relevant assurance and advice for its stakeholders.

**Government does not act on the Office's recommendations.** Doing independent, reliable, and relevant work at a reasonable cost is vital to the Office's success. These attributes are also essential for stakeholders to value the Office's advice. The Office must understand the challenges that the Government faces. Also, its advice must help improve program performance. The Office uses quality control and financial management processes so that its assurance and advice are independent, relevant, reliable, and cost effective.

**The Standing Committees on Public Accounts<sup>A</sup> and Crown and Central Agencies<sup>B</sup> do not fulfill their responsibilities.** The Office must provide assurance and advice that is consistent with each Committee's objectives. The Office uses quality control processes so that it provides independent, relevant, and reliable information that is consistent with each Committee's objectives.

**The Office does not have the required competencies and resources to deliver its products and services.** The quality of its work is dependent on the competencies of the Office's staff. The Office has hiring processes and training programs to ensure it acquires and maintains the required competencies. To discharge its statutory duties, the Office needs sufficient resources to employ the required competent people. It also needs sufficient resources to equip, support, and house its staff. It needs the support of legislators to obtain the required resources. To gain this support, it uses planning and monitoring processes so that its work is relevant to legislators and reliable. Also, it publishes a business and financial plan and an annual report on operations to build legislators' support for its request for resources.

**The Office does not manage its resources effectively.** The Office's management practices must promote the effective use of its resources. It uses financial and human resource management processes to keep the risk of not doing so at a minimum. Its major input cost to provide services is salaries and benefits. Salaries and benefits account for 80% of its spending. It carefully monitors and reports publicly on the use of staff time.

**The Office does not understand or respond to the challenges faced by its stakeholders.** If its assurance and advice is to be reliable, the Office must understand the challenges and risks the Government faces. How the Government manages its risks affects the nature and extent of work the Office must do. The Office must also understand the challenges and risks legislators and the public face if its assurance and advice is to be relevant. To be relevant, its assurance and advice should result in better parliamentary control over government activities and better program performance (see **Exhibit 1**). It uses strategic planning processes to set strategic goals and priorities that enable it to understand the challenges and risks faced by its stakeholders.

**The Office loses or is perceived to lose its independence.** *The Provincial Auditor Act* makes the Office responsible for examining all public resources managed by the Government and the Legislative Assembly (e.g., Board of Internal Economy). The Act provides the legislative framework for independence of the Office. The Office carefully guards its independence and reports to the Assembly or the Public Accounts Committee when it is concerned about its independence. Also, it uses human resource management processes to maintain objectivity and independence in its work. This includes additional safeguards to enable its staff to act with integrity, and exercise objectivity and professional skepticism.

**The Office provides inappropriate or incorrect assurance and advice.** Stakeholders must trust and value the Office's assurance (audit reports) and advice. Gaining and keeping their trust is essential for the viability of the Office. The Office has processes to ensure that its work is reliable.

<sup>A</sup> The Public Accounts Committee is the audit committee for the Legislative Assembly. The Committee is a key agent of change for improving the Government's management of public resources. The Committee's mandate is to help the Legislative Assembly hold the Government accountable for its spending of taxpayers' money and its stewardship over public resources. The Committee reviews and evaluates the activities of government ministries and Crown agencies. The Committee works with the Provincial Auditor to carry out the Committee's mandate.

<sup>B</sup> The Standing Committee on Crown and Central Agencies, a field policy committee, considers matters related to the Crown Investments Corporation of Saskatchewan (CIC) and its subsidiaries, supply and services, central agencies, liquor, gaming, and all other revenue related agencies and entities. Since 2001, the Assembly, through *The Provincial Auditor Act*, has referred the parts of the Office's reports that relate to CIC and its subsidiaries to the Committee for review. The Crown and Central Agencies Committee works with the Provincial Auditor to carry out the Committee's mandate related to those reviews.





## ***2.0 2018-19 Funding Request***





## 2.1 Introduction

As required by *The Provincial Auditor Act*, this section presents the Office's funding request for 2018-19 Estimates including an amount for unforeseen expenses. *The Provincial Auditor Act* provides for inclusion of an appropriation for unforeseen expenses (contingency appropriation) within the Estimates presented each year. **Exhibit 3 – History of Unforeseen Expenses Appropriation** sets out a brief history of this appropriation.

### *Exhibit 3—History of Unforeseen Expenses Appropriation*

The Legislature amended *The Provincial Auditor Act* in June 2001 (amended Act). The amended Act changed how the Provincial Auditor's Office finances its operations.

Until 2001, the Office maintained net financial assets equal to approximately one month's salary and benefit expenses. The Office used this money to respond to costs of unplanned work, pressure to improve the timeliness of its work, and unplanned salary and benefit increases. This practice enhanced the Office's independence by providing the resources necessary to manage effectively unforeseen circumstances.

The amended Act requires the Provincial Auditor to return all unspent money at the end of the year to the General Revenue Fund. This practice is known as "lapsing appropriations." To enable the Provincial Auditor to retain the independence to manage effectively, the Legislative Assembly accepted the recommendation of the Standing Committee on Public Accounts that the amended Act provide for the Provincial Auditor to obtain an extra appropriation each year. Since 2001, the Act provides for the inclusion of amounts for unforeseen expenses in the estimates presented by the Office each year.

## 2.2 2018-19 Funding Request

The Office asks that the Committee approve the 2018-19 Estimates with an appropriation for the operation of the Office of \$8,151 thousand and an appropriation for unforeseen expenses of \$535 thousand. These appropriations will enable the Office to fulfill its statutory duties under *The Provincial Auditor Act*.

The 2018-19 contingency appropriation request of \$535 thousand approximates the Office's previous net financial asset target of one month's salary and benefits.

The Office also asks the Public Accounts Committee, after its review, to submit the approved Estimates to the Speaker for inclusion in the Estimates tabled in the Legislative Assembly.

**Section 2.3 – Provincial Auditor's Estimates for Vote 28 Provincial Auditor** provides the 2018-19 Estimates and a breakdown of those Estimates consistent with the format the Legislative Assembly expects.

**Section 2.4 – Factors, Forces, and Trends Affecting the Appropriation, Section 3.2 – Audited Financial Forecast, and Section 4.0 – Other Supporting Information** provide details on the basis for the 2018-19 Estimates request for the operation of the Office.

**Section 3.2 – Audited Financial Forecast** includes the audited financial forecast<sup>5</sup> where an auditor, independent from the Office, has concluded that the financial forecast is consistent with and reasonable in relation to the Office's operating plan (i.e., strategic goals and priorities).

<sup>5</sup> Since 1998, the Office has provided the Committee with an audited financial forecast in response to a 1998 request of the Board of Internal Economy to provide it with independent advice to help it assess the Office's request for resources.





## 2.3 Provincial Auditor's Estimates

### Provincial Auditor

#### Vote 28

The Provincial Auditor, an Independent Officer of the Legislative Assembly, serves the people of Saskatchewan through the Legislative Assembly. The Office encourages accountability and effective management in government operations through its independent examinations, advice, and reports on the management of public resources entrusted to government.

#### Summary of Appropriation and Expense

(thousands of dollars)

	<u>Estimated 2018-19</u>	<u>Estimated 2017-18</u>
Provincial Auditor .....	8,151	8,151
Unforeseen Expenses .....	<u>535</u>	<u>539</u>
<b>Appropriation</b>	<b>8,686</b>	<b>8,690</b>
Capital Asset Acquisitions .....	-	-
Non-Appropriated Expense Adjustment .....	<u>-</u>	<u>-</u>
<b>Expense</b>	<b><u>8,686</u></b>	<b><u>8,690</u></b>

#### Provincial Auditor (PA01)

Provides for the audits of the administration of programs and activities of government ministries, health and education institutions, commissions, boards, and Crown corporations and for reporting the results of all audits annually to the Legislative Assembly and the public. It also provides assistance to the Standing Committees on Public Accounts and Crown and Central Agencies in their review of the Provincial Auditor's Report, the Public Accounts, and other reports.

#### Allocations

Provincial Auditor Operations .....	7,922	7,922
Provincial Auditor's Salary (Statutory).....	229	229

#### Classification by Type

	<u>2018-19</u>	<u>2017-18</u>
Salaries.....	5,443	5,480
Goods and Services.....	<u>2,708</u>	<u>2,671</u>
	<b><u>8,151</u></b>	<b><u>8,151</u></b>

This subvote includes "Statutory" amounts. The amount "To Be Voted" is \$7,922K.

#### Unforeseen Expenses (PA02)

Provides for unforeseen expenses pursuant to section 10.1 of *The Provincial Auditor Act*.

#### Classification by Type

	<u>2018-19</u>	<u>2017-18</u>
Salaries.....	535	539
	<u>535</u>	<u>539</u>





## 2.4 Factors, Forces, and Trends Affecting the Appropriation

The 2018-19 Funding Request for the operation of the Office of \$8.151 million maintains the funding level of the prior year's request. In view of the Government's fiscal outlook for 2018-19, the Office plans to absorb cost increases by increasing efficiencies and reducing costs where possible.

The following identifies key changes in costs from the 2017-18 Financial Forecast and the costs that the Office expects to absorb:

<b>Increase for:</b>	<b>(in thousands of dollars)</b>
› Employer premium rate increases for EI and the extended health care plan	\$ 8
› Inflation impact on goods and services	21
› Increased PST rate and broader base of goods and services subject to PST	13
› Impact of changes in Government agencies	22
<b>Decrease for:</b>	
› Employer premium rate decrease for the Workers' Compensation Board	<u>(8)</u>
<b>Total net increase</b>	<u>56</u>
<b>Costs the Office expects to absorb</b>	<u>(56)</u>
<b>Net impact on funding request</b>	<u>\$ -</u>

Each year, the Office prepares a work plan that will enable it to fulfill its duties under *The Provincial Auditor Act*. To prepare its work plan, the Office uses a risk-based model to set priorities and allocate resources. The model uses criteria to assess the impact of each audit on the Office's overall ability to serve the Legislative Assembly.

The work plan reflects the Office's strategic goals and priorities and known information (at October 31, 2017) about the following factors.

The Office has determined that the following factors will impact its 2018-19 costs:

- › Market conditions and inflation affecting staff salaries and benefits and the cost of goods and services (including agent and advisory services)

As noted in the following paragraphs, several inflationary increases affect the Office's costs for salaries, benefits, goods, and services.

The Office continues to manage salaries costs (including costs of agent and advisors) closely, and expects savings in salaries to be fully offset by increased costs for agent and advisory services. Agent and advisory services include the costs of staff of private sector accounting firms and the services of external advisors. The Office uses them to meet its reporting deadlines and to secure the necessary expertise to complete its work. It is controlling these costs to the extent possible without jeopardizing its ability to complete its work as and when expected.

In 2017, the market for auditors who recently attained their professional accountancy is aggressive. The Office continues to experience higher than anticipated turnover of staff with many joining Saskatchewan government agencies. The Office actively monitors projected salaries of auditors. Research indicates that the shortage of skilled candidates for positions at all levels is increasing demand for top talent in public



accounting. As a result, increases in pay, benefits, and work-life flexibility are priorities for job candidates.<sup>6</sup> In addition, the Office estimates the costs of contracted staff will increase by about 14%. Rates to contract students and recently designated accounting professionals from CPA firms have been steadily increasing in recent years. To manage these increases, the Office contracts from small to mid-size CPA firms whenever possible.

With respect to the employer cost of benefit plans, the Office estimates changes in costs to fully offset each other. It estimates an increase of \$8,000 to employer premium rates for EI and the extended health care plan; and a decrease of \$8,000 in the employer premium rate for WCB. As noted in **Section 1.3**, the Act gives the Office's employees access to similar benefits as those available to public servants.

With respect to inflation and PST, the Office estimates its cost of goods and services will increase by \$36,000. Goods and services includes contracted staff assistance, office software and security licensing, supplies, and audit travel (e.g., hotel rates). The \$36,000 increase is comprised of a \$21,000 increase for inflation based on an anticipated inflationary increase of 1.8%, and a \$13,000 increase for additional PST given the increase in rate and broader tax base.

#### › The number and size of government agencies

The Office estimates changes to government agencies since the *2018 Business and Financial Plan* results in \$22,000 of additional audit costs. **Section 4.1 – Impact of Changes to Government Agencies on the 2018-19 Work Plan** provides further detail. At October 31, 2017, 236 government agencies manage public resources. As *The Provincial Auditor Act* requires the Office to audit all government agencies, the Government's restructuring, creation, and wind-up of agencies impact the Office's work plan and total costs.

The Office expects to either absorb additional costs incurred as a result of the following factors or that they will not significantly impact its 2018-19 costs:

#### › Changes to professional accounting, auditing, and assurance standards

Changes in accounting standards typically results in more work for preparers of financial statements (management) and for their auditors. The Canadian Public Sector Accounting Standards Board continues to update and change public sector accounting standards and expects to make further changes over the near term.

In addition, the Canadian Auditing and Assurance Standards Board continues to change auditing and assurance standards (e.g., new auditor report on financial statements, audit risk). These changes require the Office to update its audit methodology and practices, and additional audit work effort.

The Office expects to absorb the costs associated with known or anticipated changes, and it is taking actions to minimize those costs, wherever possible. For example, it is leveraging its involvement with other legislative offices to minimize the cost of changes to audit methodology. In addition, the Office continuously looks for internal efficiencies.

#### › The Government's use of appointed auditors<sup>7</sup>

While the use of appointed auditors reduces the Office's costs, it increases the total cost of auditing to taxpayers in that two auditors are involved. When the Government appoints a second auditor (appointed auditor), the Office follows the recommendations of the *Task Force on Roles, Responsibilities, and Duties*

<sup>6</sup> Robert Half *2018 Salary Guide for Accounting and Finance Professionals*.

<sup>7</sup> The Government has decided to use appointed auditors to audit many agencies. It has stated that it uses appointed auditors so the Saskatchewan public accounting industry can retain local expertise.



of Auditors.<sup>8</sup> Following these recommendations ensures the Office serves the Assembly efficiently and minimizes the duplication of effort. **Section 4.5 – Total Costs to Audit Government Agencies** sets out the total costs to audit government agencies for the last five years.

› The quality of and changes in the Government’s records, systems, practices, and personnel

The Office recognizes fiscal restraint along with changes to and reduction of staffing can create an environment that may impact this factor. At this time, it expects this impact to have minimal effect on audit costs.

› The level of co-operation the Office expects to receive from government officials and appointed auditors when it does its work

The Office receives and expects to continue to receive good co-operation from government officials and appointed auditors.

› The legislators’ and public’s expectations

The Office remains responsive to changing environments and emerging risks. **Exhibit 4** highlights the updated external forces and trends. Its 2018-19 work plan is based on the planning approach used in prior years, and reflects a similar mix of work.

#### **Exhibit 4—External Forces and Trends Affecting the Office**

The Office’s 2017-2021 *Strategic Plan* identifies 11 major external forces and trends that affect both the Office and its stakeholders (i.e., legislators, the public, and government officials). 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 several more specific issues. In particular, the Office will continue to encourage the Government to address the following challenges:

- › Changing demographics and diversity
- › Technology change, complexity, and usage
- › Increased regulatory oversight of professional accountants
- › Use of multiple financial reporting frameworks in the Saskatchewan public sector (e.g., public sector standards for governments for summary financial statements, public sector standards for not-for-profit organizations for regional health authorities, International Financial Reporting Standards for government business enterprises)
- › Changes in government service delivery model
- › Changes in the public sector workforce
- › Sustainability and protecting the physical environment
- › Focus on infrastructure
- › Impact of global markets
- › New financing structures in government
- › Evolving relationships between legislative auditors and legislative committees (i.e., PAC, CCAC)

Source: 2017-2021 *Strategic Plan*

The **Schedule of Planned Costs to Audit Government Agencies** sets out the annual work plan for the year ended March 31, 2019. The Schedule forms part of the audited financial forecast included in **Section 3.2**. The Schedule sets out the planned costs to audit and report on government sector/agencies for the Office’s fiscal year ended March 31, 2019 and comparative information. **Section 4.6** sets out potential areas of focus for its performance work.

<sup>8</sup> Available at [www.auditor.sk.ca](http://www.auditor.sk.ca) under Publications/Resources.



## **2.5 Impact of Alternative Funding Levels**

If the Office does not obtain approval for a sufficient appropriation from the Public Accounts Committee, it will not be able to carry out its work plan. As previously noted, the Office uses a risk-based model to set its work plan. The model reflects that the Office must provide assurance on the Government's Summary Financial Statements along with assurance on the effectiveness of the Government's management of public resources, and compliance with the law. If the Office is unable to obtain sufficient funding, it would provide less service by not auditing certain agencies in the following sequence:

- › Revolving and other special purpose funds
- › Agricultural marketing boards
- › Certain CIC-related Crown corporations
- › Certain school divisions

When the Office does not examine Government agencies, the Assembly does not receive the Office's assurances on the Government's financial statements, the effectiveness of its management of public resources, and its compliance with governing authorities.

If necessary, the Office will report to the Legislative Assembly which Government agencies it was unable to audit. When this is necessary, the Office is concerned with the impact this message has on public confidence in the system of Government.



### ***3.0 Annual Work Plan for 2018-19 and Supporting Schedules***





---

## 3.1 Glossary

### *Estimate*

---

Future-oriented financial information prepared using actual results, where available, and assumptions all of which reflect the entity's planned course of action for the period covered given management's judgement as to the most probable set of economic conditions.

### *Forecast*

---

Future-oriented financial information prepared using assumptions that reflect the entity's planned courses of action for the period given management's judgement as to the most probable set of economic conditions (*CPA Canada Handbook – Assurance*).

### *Projection*

---

Future-oriented financial information prepared using assumptions that reflect the entity's planned courses of action for the period given management's judgement as to the most probable set of economic conditions, together with one or more hypotheses that are assumptions which are consistent with the purpose of the information but are not necessarily the most probable in management's judgement (*CPA Canada Handbook – Assurance*).



## 3.2 Audited Financial Forecast

### Management's Responsibility for the Financial Forecast

The accompanying financial forecast consisting of a Statement of Operations included in the *Business and Financial Plan* for the Office of the Provincial Auditor for the year ended March 31, 2019, is the responsibility of management of the Office. Management has prepared the financial forecast in accordance with generally accepted accounting principles in Canada. The financial information presented elsewhere in this *Business and Financial Plan* is consistent with that in the financial forecast.

To ensure the integrity and objectivity of the financial data, management maintains an appropriate code of conduct, a comprehensive system of internal controls including written policies and procedures, and an organizational structure that segregates duties. These measures provide reasonable assurance that the most probable set of economic conditions are reflected in the assumptions the Office developed to prepare the financial forecast. These measures also provide reasonable assurance that the assumptions are suitably supported and consistent with the goals and plans developed by the Office, and provide a reasonable basis for the forecast.

The financial forecast was audited by Virtus Group LLP. Its report to the Standing Committee on Public Accounts stating the scope of its examination and opinion on the financial forecast follows.

Judy Ferguson, FCPA, FCA  
Provincial Auditor

November 22, 2017  
Regina, Saskatchewan

### Auditors' Report on Financial Forecast

To the Standing Committee on Public Accounts:

The accompanying financial forecast of the Office of the Provincial Auditor consisting of a Statement of Operations for the year ended March 31, 2019, has been prepared by management using assumptions with an effective date of October 31, 2017. We have examined the support provided by management for the assumptions, and the preparation and presentation of this forecast. Our examination was made in accordance with the applicable Auditing Guideline published by the Chartered Professional Accountants of Canada. We have no responsibility to update this report for events and circumstances occurring after the date of our report.

In our opinion:

- ▶ As at the date of this report, the assumptions developed by management are suitably supported and consistent with the plans of the Office, and provide a reasonable basis for the forecast
- ▶ This forecast reflects such assumptions
- ▶ The financial forecast complies with the presentation and disclosure standards for forecasts published by the Chartered Professional Accountants of Canada

Since this forecast is based on assumptions regarding future events, actual results will vary from the information presented and the variances may be material. Accordingly, we express no opinion as to whether this forecast will be achieved.

Chartered Professional Accountants

November 22, 2017  
Regina, Saskatchewan



**OFFICE OF THE PROVINCIAL AUDITOR  
STATEMENT OF OPERATIONS  
For the Years Ended March 31  
(thousands of dollars)**

	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Estimate (Unaudited) (Note 4)</b>	<b>2019 Forecast (Note 5,6)</b>	<b>2020 Projection (Unaudited)</b>
<b>Revenue:</b>					
General Revenue Fund (GRF)					
- Appropriation	\$ 8,194	\$ 8,218	\$ 8,151	\$ 8,151	\$ 8,233
- Contingency Appropriation (Note 2)	548	532	539	535	540
Other	27	53	4	6	6
<b>Total revenue</b>	<b>8,769</b>	<b>8,803</b>	<b>8,694</b>	<b>8,692</b>	<b>8,779</b>
<b>Expense:</b>					
Salaries	5,227	5,224	5,260	5,443	5,498
Employee benefits	936	960	946	981	991
Facilities and equipment	724	728	776	793	801
Administration	385	385	396	419	423
Agent and advisory services	370	390	434	370	373
Training and development	127	143	170	170	172
<b>Total operating expense</b>	<b>7,769</b>	<b>7,830</b>	<b>7,982</b>	<b>8,176</b>	<b>8,258</b>
Transfer to GRF (Note 3)					
- Return of unused Appropriation	968	905	728	535	540
- Other	27	53	4	6	6
<b>Total transfer to GRF</b>	<b>995</b>	<b>958</b>	<b>732</b>	<b>541</b>	<b>546</b>
<b>Total expense</b>	<b>8,764</b>	<b>8,788</b>	<b>8,714</b>	<b>8,717</b>	<b>8,804</b>
<b>Annual surplus (deficit)</b>	<b>5</b>	<b>15</b>	<b>(20)</b>	<b>(25)</b>	<b>(25)</b>
Accumulated surplus, beginning of year	153	158	173	153	128
<b>Accumulated surplus, end of year</b>	<b>\$ 158</b>	<b>\$ 173</b>	<b>\$ 153</b>	<b>\$ 128</b>	<b>\$ 103</b>

(See accompanying notes and schedules)



**Office of the Provincial Auditor  
Notes to the Statement of Operations  
For the Years Ended March 31**

**1. Summary of Accounting Policies**

The Office used Canadian public sector accounting principles to prepare this financial information. The following accounting principles are considered to be significant:

**a) Revenue**

The appropriation from the General Revenue Fund is recorded when authorized by the Legislative Assembly.

Other revenue consists of bank interest and the return of surplus funds from the Workers' Compensation Board (if any), which are recorded when earned.

**b) Tangible Capital Assets**

Tangible capital assets are reported at cost less accumulated amortization. Amortization is recorded on a straight-line basis at rates based on estimated useful lives of the tangible capital assets as follows:

Computer hardware	3 years	Other furniture	5 years
Computer software	3 years	Other equipment	3 years
Furniture (desks, file cabinets)	10 years		

**2. Contingency Appropriation**

To enable the Provincial Auditor to retain independence to manage unforeseen circumstances effectively, *The Provincial Auditor Act* provides for the Provincial Auditor to obtain an extra appropriation each year for unforeseen expenses (contingency appropriation). The Act provides for a contingency appropriation in place of the Office maintaining net financial assets. Prior to 2001, the Office maintained net financial assets equal to approximately one month's salary and benefit expenses.

**3. Transfer to General Revenue Fund**

*The Provincial Auditor Act* requires the Office to give all other revenues to the General Revenue Fund. The Act also requires the Office to return any excess appropriations to the General Revenue Fund. For 2018, the Office anticipates that it will give \$4,000 of other revenue and \$728,000 of its appropriation to the General Revenue Fund.

**4. 2018 Estimate**

The estimate for 2018 is based on actual information known to October 31, 2017, and the planned course of action for the remainder of the year. The actual results will vary and the variations may be material. The Office's actual expenses for the seven months ended October 31, 2017, were \$4.6 million (unaudited).

**5. 2019 Forecast – Key Assumptions**

The financial information presented for 2019 is a forecast, and accordingly actual results will vary and the variations may be material.

The Office prepared the financial information for the year ended March 31, 2019, using the significant assumptions set out below. The assumptions reflect the Office's planned course of action for this period as





—Audited—

set out in the Office's strategic goals and strategies (**Section 5.0 – The Office's 2017-2021 Strategic Plan**). The Office based the assumptions on management's judgment of the most probable set of economic conditions for this period based on known information at October 31, 2017.

**Appropriation** is the amount of money the Office needs from the General Revenue Fund to finance operations. The Office returns any amounts not required during the year to the General Revenue Fund at year-end (Transfer to GRF).

**Contingency appropriation** is the amount of money from the General Revenue Fund required for unforeseen expenses. The Office returns any amounts not required during the year to the General Revenue Fund at year-end (Transfer to GRF).

**Other revenue** includes bank interest earned on cash held during the year at an average rate of 0.70%.

**Salaries** are based on 60 full-time equivalent positions at an average salary cost of \$90,700 (Refer to **Section 3.4 – Forecast and Actual Full-Time Equivalent Positions and Average Salaries of Employees**). Average salary cost is determined using best estimates of expected pay for current and new employees based on past trends and expected economic conditions.

Total full-time equivalent positions of 62 (60 FTE salaried employees plus 2 FTE contracted staff assistance) reflects the staff necessary to provide 70,000 audit hours. The required audit hours for the agencies included in the **Schedule of Planned Costs to Audit Government Agencies** is based on the planned use of staff time set out in the **Schedule of Planned Time Spent on Tasks**. When determining required audit hours, the Office takes into account known information at October 31, 2017, about the state of the Government's systems and practices, the number and size of government agencies, the Government's use of appointed auditors, and auditing standards.

**Employee benefits** include the costs of the following benefits: Canada Pension Plan, Employment Insurance, Workers' Compensation, Public Employees Pension Plan, Public Employees Dental Plan, Public Employees Disability Income Plan, Public Employees Group Life Insurance Plan, extended health care plan, maternity/paternity top-up plan, and a flexible benefit plan. The costs reflect current rates charged for these benefits or expected rate changes.

**Facilities and equipment** includes rent for office space based on a 10-year lease effective April 1, 2012, and reflects management's best estimates based on past trends and current economic conditions for costs such as amortization of tangible capital assets, and computer hardware and software maintenance.

**Administration** reflects management's best estimates based on past trends and current economic conditions for costs such as audit travel, professional fees and dues, telephone, printing, and office supplies.

**Agent and advisory services** represents management's best estimates for legal costs, the cost of auditing the Office, and other contractual services. It includes costs for contracted staff assistance of two full-time equivalent positions.

**Training and development** costs are the estimated out-of-pocket costs to train staff to become professional accountants, keep the knowledge and skills of current professionals up-to-date, and have knowledge in specialized areas. The Office based the costs on past trends and office policies (Refer to **Section 3.5 – Training Schedule**).



—Audited—

## 6. Schedule of Revenue and Expenditure (thousands of dollars)

The Office prepared the following schedule using the expenditure basis of accounting. Expenditures are the cost of goods and services acquired in the year whether or not the Office has made payment. The appropriation from the General Revenue Fund is determined using the expenditure basis of accounting.

For the Years Ended March 31	2016 Actual	2017 Actual	2018 Estimate (Unaudited)	2019 Forecast	2020 Projection (Unaudited)
<b>Revenue:</b>					
General Revenue Fund					
- Appropriation	\$ 8,194	\$ 8,218	\$ 8,151	\$ 8,151	\$ 8,233
- Contingency Appropriation	548	532	539	535	540
Other	27	53	4	6	6
<b>Total revenue</b>	<b>8,769</b>	<b>8,803</b>	<b>8,694</b>	<b>8,692</b>	<b>8,779</b>
<b>Expenditure:</b>					
Salaries	5,227	5,224	5,260	5,443	5,498
Employee benefits	935	963	946	981	991
Facilities and equipment	715	738	756	768	776
Administration	393	389	396	419	423
Agent and advisory services	370	390	434	370	373
Training and development	134	141	170	170	172
<b>Total operating expenditure</b>	<b>7,774</b>	<b>7,845</b>	<b>7,962</b>	<b>8,151</b>	<b>8,233</b>
Transfer to GRF					
- Return of unused Appropriation	968	905	728	535	540
- Other	27	53	4	6	6
<b>Total transfer to GRF</b>	<b>995</b>	<b>958</b>	<b>732</b>	<b>541</b>	<b>546</b>
<b>Total expenditure</b>	<b>8,769</b>	<b>8,803</b>	<b>8,694</b>	<b>8,692</b>	<b>8,779</b>
<b>Excess of revenue over expenditure</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**OFFICE OF THE PROVINCIAL AUDITOR  
SCHEDULE OF PLANNED TIME SPENT ON TASKS  
For the Years Ended March 31**

	Actual			Planned	
	2015	2016	2017	2018	2019
<b>Employee time</b>					
Working hours	85%	85%	86%	84%	85%
Vacation leave and statutory holidays <sup>1</sup>	13%	13%	12%	14%	13%
Sick leave	2%	2%	2%	2%	2%
<b>Total paid hours</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Working hours' tasks</b>					
Audits	71% <sup>3</sup>	71% <sup>3</sup>	70%	70%	70%
Support services	11%	11%	11%	11%	11%
Office administration	12%	13% <sup>4</sup>	13% <sup>5</sup>	12%	12%
Training	6% <sup>3</sup>	5% <sup>3</sup>	6%	7%	7%
<b>Total work hours</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Total full-time equivalent positions<sup>2</sup></b>	<b>61</b>	<b>60</b>	<b>61</b>	<b>62</b>	<b>62</b> <sup>6</sup>

(See accompanying notes)

Explanations of statistical differences in the use of employee time.

- <sup>1</sup> The Office provides vacation leave and statutory holidays similar to those provided to employees in the public service. Periodically, there is one more statutory holiday (Good Friday) in the period (i.e., 2016 and 2018). Periodically, there is one less statutory holiday (Good Friday) in the period (i.e., 2017 and 2019).
- <sup>2</sup> Includes employees and contracted assistance.
- <sup>3</sup> During 2015 and 2016, some management and specialized training was deferred to meet audit deadlines. Beginning in 2015, some specialized training was available via webinar or in Saskatchewan thereby decreasing travel time for training events.
- <sup>4</sup> Office administration time increased in 2016 as a result of developing a new five-year Strategic Plan.
- <sup>5</sup> The Office finalized its Strategic Plan including assigning working groups to begin research on key strategic initiatives.
- <sup>6</sup> This represents 60 full-time equivalent employees and 2 full-time equivalent contracted assistance.



—Audited—

**Office of the Provincial Auditor**  
**Notes to the Schedule of Planned Time Spent on Tasks**  
**For the Years Ended March 31**

---

**1. Purpose**

This schedule shows work tasks and the percentage of time spent on these tasks. The schedule shows actual percentages for the years ended March 31, 2015 to March 31, 2017, and planned percentages for these tasks for the years ended March 31, 2018 and 2019.

**2. Definitions**

**Working hours** – This is the time available after deducting vacation leave, statutory holidays, and sick leave.

**Vacation leave and statutory holidays** – Vacation leave paid. It is based on years of service. Employees also receive paid provincial statutory holidays similar to those provided in the public service.

**Sick leave** – Sick leave paid. The amount of paid leave is based on approved leave taken prior to being eligible for long-term disability benefits.

**Total paid hours** – This is the total of working hours, vacation leave, statutory holidays, and sick leave. Employees must work a minimum of 1950 hours per year to receive full pay.

**Audit hours** – This is the time spent on the audits set out in the **Schedule of Planned Costs to Audit Government Agencies**. Audit hours do not include the time spent on support services, office administration, and training.

**Support services** – This is the time spent on accounting, computer maintenance and support, and other administrative support.

**Office administration** – This is time spent on human resource activities, internal committees and working groups, office-wide and division planning activities, and time that does not fall within any other working hours task category.

**Training** – This is time spent on staff development, courses, and seminars. The time includes both employee attendance time and instructor time when employees instruct courses.

**Full-time equivalent positions** – Total paid hours divided by 1950 hours.

**3. Time Allocation Policies**

Employees and contract staff are required to record actual time spent on each task to the nearest quarter hour. Staff supervisors approve all time recorded. The Office uses the staff time information to pay employees and contract staff, and monitor productivity. The Office also uses this information to determine and monitor the costs to audit government agencies.

**4. Actual Time**

The percentages of actual time set out in the Schedule are those presented in the audited **Schedule of Actual Time Spent on Tasks** in the Office's *Annual Report on Operations* for the related fiscal year.



**OFFICE OF THE PROVINCIAL AUDITOR**  
**SCHEDULE OF PLANNED COSTS TO AUDIT GOVERNMENT AGENCIES**  
**For the Years Ended March 31**  
**(thousands of dollars)**

<b>Government Sector/Agency</b>	<b>2016 Actual Costs (Note 1)</b>	<b>2017 Actual Costs (Note 1)</b>		<b>2018 Planned Costs</b>		<b>2019 Planned Costs</b>	
Advanced Education	864	841		851		862	
Agriculture	207	197	A	281	2	260	
Central Services	195	164		153		167	
Economy	422	424		383		379	
Education	727	710		729		772	
Environment	241	370	9	248	3	189	
Executive Council	14	15		18		76	
Finance	818	894	10	845		908	
Government Relations	208	308	11, A	222	4	248	
Health	1,127	1,120	A	1,317	5	1,265	
Highways and Infrastructure	154	408	12	157	6	133	
Justice	575	490	13	479		564	1
Labour Relations and Workplace Safety	26	22		63		22	
Legislative Assembly	116	117		115		111	
Parks, Culture and Sport	255	323		255		313	
Public Service Commission	62	68		64		64	
Saskatchewan Liquor and Gaming Authority	338	179	14	232		239	
SaskBuilds Corporation	16	12		21		11	
Social Services	285	176	15	248		249	
Workers' Compensation Board	26	97		32		43	
Crown Investments Corporation of Saskatchewan <sup>16</sup>	42	83		80		73	
Saskatchewan Gaming Corporation	26	21		80		32	
Saskatchewan Government Insurance	113	51		89		126	
Saskatchewan Opportunities Corporation	3	9		12		10	
Saskatchewan Power Corporation	52	31		152	7	84	
Saskatchewan Telecommunications Holding Corporation	25	96		62		68	
Saskatchewan Transportation Company	4	5		10		10	
Saskatchewan Water Corporation	4	15		73		21	
SaskEnergy Incorporated	20	26		58		44	
Government-wide and Sectoral Work	130	138		347	8	332	



—Audited—

(thousands of dollars)

**Government Sector/Agency**

	<b>2016 Actual Costs (Note 1)</b>	<b>2017 Actual Costs (Note 1)</b>	<b>2018 Planned Costs</b>	<b>2019 Planned Costs</b>
Legislative Committees and Public Reports	457	441	475	476
<b>TOTAL COSTS</b>	<b>\$ 7,552</b>	<b>\$ 7,851</b>	<b>\$ 8,151</b>	<b>\$ 8,151</b>
Average cost-per-audit-hour <sup>17</sup>	\$ 108.65	\$ 107.10	\$ 112.41	\$ 112.16

(see accompanying notes)

<sup>A</sup> Includes costs remaining to complete audits not done at October 31, 2017.

Reasons for differences greater than \$75 thousand between years (in thousands of dollars):

**2019 and 2018 Planned**

<sup>1</sup> **Justice** – 2019 is more than 2018 by \$85. For 2019, the Office plans to assess the Public Guardian and Trustee’s management of its clients’ assets (\$57) and the Saskatchewan Legal Aid Commission’s implementation of past recommendations about the provision of legal aid services to low-income individuals in Saskatchewan (\$13).

**2018 Planned and 2017 Actual**

<sup>2, A</sup> **Agriculture** – 2018 is expected to be \$84 more than 2017. In 2018, the Office plans to assess the Ministry’s processes to mitigate the risk of the spread of livestock disease (\$55); and the implementation of past recommendations about the Ministry’s regulation of livestock operations (\$4) and the Saskatchewan Crop Insurance’s AgriStability program (\$5).

<sup>3</sup> **Environment** – 2018 is expected to be \$122 less than 2017. Refer to footnote 9 below for 2017 work.

<sup>4, A</sup> **Government Relations** – 2018 is expected to be \$86 less than 2017. Refer to footnote 11 below for 2017 work.

<sup>5, A</sup> **Health** – 2018 is expected to be \$197 more than 2017. For 2018, the Office planned to assess programs for mental health (\$77), a regional health authority’s facilities maintenance activities (\$66) and a regional health authority’s management of employee absenteeism (\$59). Also in 2018, one entity was created—Out of Scope Flexible Spending Plan (\$10); and one entity was wound up—North Saskatchewan Laundry and Support Services Ltd. (\$14).

<sup>6</sup> **Highways and Infrastructure** – 2018 is expected to be \$251 less than 2017. Refer to footnote 12 below for 2017 work.

<sup>7</sup> **Saskatchewan Power Corporation** – 2018 is expected to be \$121 more than 2017. For 2018, the Office plans to assess SaskPower’s maintenance (\$64); and the implementation of past recommendations about buying goods and services (\$4), responding to cyber incidents (\$8), and inspecting gas and electrical installations (\$4). The Office’s 2017 work was also impacted by SaskPower’s fiscal year-end change. Refer to footnote 16 below.

<sup>8</sup> **Government-wide and Sectoral Work** – 2018 is expected to be \$209 more than 2017. In 2017, the Office’s costs were lower as the Office did less work related to planning government-wide, sectoral, and agency specific performance audits than originally anticipated because fewer complex matters required research.

**2017 and 2016 Actual**

<sup>9</sup> **Environment** – 2017 was more than 2016 by \$129. In 2017, the Office assessed the Ministry’s processes to detect wildfires (\$107) and the implementation of past recommendations about the regulation of contaminated sites (\$10).

<sup>10</sup> **Finance** – 2017 was more than 2016 by \$76. In 2017, the Office assessed the Public Employees Benefits Agency’s processes to secure pension and benefit plan participants’ personal information (\$50). The actual costs in 2016 were lower due to staff levels used and fewer audit issues requiring research for audit work on the Summary Financial Statements.

<sup>11</sup> **Government Relations** – 2017 was more than 2016 by \$100. In 2017, the Office assessed the Ministry’s education property tax mill rate proposal process (\$64), and elevator licensing by the Technical Safety Authority of Saskatchewan (\$48).

<sup>12</sup> **Highways and Infrastructure** – 2017 was more than 2016 by \$254. The actual costs in 2017 include unbudgeted work for the *Special Report: Land Acquisition Processes – The Global Transportation Hub Authority and the Ministry of Highways and Infrastructure* (\$230).

<sup>13</sup> **Justice** – 2017 was less than 2016 by \$85. In 2016, the Office assessed Saskatchewan Legal Aid Commission’s processes to deliver legal services to low-income individuals in Saskatchewan (\$66); and the implementation of past recommendations about the



Ministry's processes to maintain the integrity of offender data in the Corrections Management Information System (\$10) and management of the labour costs in the provincial correctional centres related to absenteeism (\$10).

- <sup>14</sup> **Saskatchewan Liquor and Gaming Authority (SLGA)** – 2017 was less than 2016 by \$159. In 2016, the Office assessed SLGA's liquor regulatory processes (\$70), project management processes for key IT projects (\$54); and the implementation of past recommendations related to SLGA's liquor procurement (\$9), and encouraging responsible use of beverage alcohol (\$3).
- <sup>15</sup> **Social Services** – 2017 was less than 2016 by \$109. In 2016, the Office assessed the Ministry's processes related to protecting information about children in care in the Linkin system (\$48), and minimizing employee absenteeism (\$53).
- <sup>16</sup> **Crown Investments Corporation of Saskatchewan (CIC)** – The Government's November 2015 decision to change the fiscal year-end of CIC and its subsidiaries and related entities from December 31 to March 31 changed the timing of our work related to those agencies. The Office expected its costs for 2016 and 2017 to be lower than planned during the transition period, and 2018 planned costs for financial-related audit work (i.e., March 31, 2017 year-ends) to be similar to 2015 and prior years.

#### **Average Cost-Per-Audit-Hour**

- <sup>17</sup> The actual average cost-per-audit-hour in 2016 and 2017 is lower primarily as a result of senior staff retirements and unanticipated turnover of longer-term staff.



**Office of the Provincial Auditor**  
**Notes to the Schedule of Planned Costs to Audit Government Agencies**  
**For the Years Ended March 31**

**1. Purpose**

This schedule (Annual Work Plan) shows the Office’s actual costs to audit government agencies for its fiscal years ended March 31, 2016 and March 31, 2017. The schedule also shows the Office’s planned costs to audit government agencies for its fiscal years ended March 31, 2018 and March 31, 2019.

The actual costs for 2016 and 2017 were originally provided in the **Schedule of Actual Costs to Audit Government Agencies** included in the Office’s 2016 and 2017 Annual Reports on Operations. The audited information noted there would be future costs to complete these audits. Virtus Group LLP audited those schedules. The actual results reported in this schedule have been updated for actual costs up to October 31, 2017. 2017 includes an estimate for costs remaining to complete audits not done at October 31, 2017.

The Office uses a risk-based model to set priorities and allocate resources to its audits of government agencies.

The “nature of each examination” is described in section 11 of *The Provincial Auditor Act*, which states:

*11(1) The Provincial Auditor is the auditor of the accounts of the government of Saskatchewan and shall examine all accounts related to public money and any accounts not related to public money that he is required by an Act to examine, and shall determine whether, in his opinion:*

- a) the accounts have been faithfully and properly kept;*
- b) public money has been fully accounted for and properly disposed of, and the rules and procedures applied are sufficient to ensure an effective check on the assessment, collection and proper allocation of public money;*
- c) public money expended has been applied to the purposes for which it was appropriated by the Legislature and the expenditures have adequate statutory authority; and*
- d) essential records are maintained and the rules and procedures applied are sufficient to safeguard and control public money.*

**2. Cost Allocation Policies**

Government agencies have various fiscal year-ends (e.g., March 31, June 30, August 31, and December 31). Due to the nature of auditing, audit activity related to an agency occurs before and after its fiscal year end. As such, while most do, not all audits start and finish within the Office’s fiscal year. As a result, the Office’s total annual operating expenditure is allocated to pay for portions of more than one Annual Work Plan.

Total Operating Expenditure is the total operating expenditure as reported in the audited financial statements for the related fiscal year. It reflects total costs incurred to March 31 in that fiscal year.

Each year, the Office allocates its total operating expenditure to the audit categories set out in its Annual Work Plan. It uses hours reported for each audit in approved employee time sheets as the basis of its allocation. It applies direct costs to their relevant audit agency and year. It determines cost-per-hour based on employees’ pay and benefits and a portion of other costs (e.g., facilities and equipment, administration, training and development) allocated based on the planned time spent on audits (audit hours). Cost-per-hour is adjusted periodically to reflect changing employee and office-wide circumstances.

Actual Costs per government agency shown on the schedule are the sum of actual direct costs related to relevant audits plus the product of actual time (hours) spent by employees multiplied by cost-per-hour.



### 3.3 Historical Comparison of the Costs of the Office's Work Plans

The following table shows a five-year summary comparison of costs to discharge the Office's duties under *The Provincial Auditor Act*. The **Schedule of Planned Costs to Audit Government Agencies** included in **Section 3.2 – Audited Financial Forecast** compares detailed work plans for the years 2016 to 2019 and explains key differences.

The 2020 planned costs assume an inflationary increase of 1% and that the other factors listed in **Section 2.4** will not significantly impact future costs of the Office.

Work Plan Costs to Audit Each Government Agency for the Office's Fiscal Years Ended March 31				
In millions of dollars				
2016 Actual	2017 Actual	2018 Planned	2019 Planned	2020 Planned
7.552	7.851	8.151	8.151	8.233
(Details in the <b>Schedule of Planned Costs to Audit Government Agencies</b> )				(Details to be determined in 2018)

### 3.4 Forecast and Actual Full-Time Equivalent Positions and Average Salaries of Employees

Information on full-time equivalent positions and average salary of employees:

Fiscal Year	FTE <sup>1</sup> Positions		Average Salaries <sup>2</sup>	
	Forecast	Actual	Forecast	Actual
2010	58	55	81,600	82,800
2011	61	59	84,700	83,700
2012	60	56	88,100	87,500
2013	60	59	88,400	88,700
2014	60	58	88,600	92,200
2015	60	58	93,000	92,800
2016	60	58	92,800	90,100 <sup>3</sup>
2017	60	58	92,200	90,100 <sup>3</sup>
2018	60	59 <sup>4</sup>	91,300	89,200 <sup>3,4</sup>
2019	60		90,700	

<sup>1</sup> FTE – Full-time equivalent

<sup>2</sup> Average salaries have increased from 2010 to 2019 primarily due to the Provincial Auditor's employees receiving similar economic adjustments as those the Government provided to out-of-scope public servants and responses to market pressures. The following table sets out the economic adjustments the Government provided to out-of-scope public servants. These economic adjustments would cause the Office's average salary to increase from \$82,800 per year at March 31, 2010 to \$91,800 per year at March 31, 2019. The office has been able to leverage retirements of senior staff to decrease its average salary in recent years.

Economic adjustments provided to out-of-scope public servants:

April 1, 2009	4.5%	April 1, 2012	2.0%	April 1, 2015	0.0%
April 1, 2010	1.5%	April 1, 2013	2.0%	April 1, 2016	1.65%
April 1, 2011	2.0%	April 1, 2014	1.25%	April 1, 2017	0.0%

<sup>3</sup> Unanticipated turnover during 2016, 2017, and 2018 and delay in certain promotions has changed the composition of the Office's average salary.

<sup>4</sup> Estimated number of full-time equivalent positions and average salaries for 2018 based on information known at October 31, 2017. Actual results may vary.



### 3.5 Training Schedule

The training schedule shows employee hours, employee salary cost, and out-of-pocket costs.

Fiscal Year	Actual			Forecast		
	Hours	Salary Cost	Out-of-Pocket Costs	Hours <sup>1,2</sup>	Salary Cost	Out-of-Pocket Costs
2010	7,656	280,606	167,420	8,760	334,800	175,000
2011	9,664	385,371	171,793	9,996 <sup>3</sup>	421,300	175,000
2012	7,961 <sup>4</sup>	346,740 <sup>4</sup>	144,997 <sup>4</sup>	10,120	454,100	175,000
2013	7,753 <sup>4</sup>	349,730 <sup>4</sup>	144,004 <sup>4</sup>	9,944	438,300	175,000
2014	5,794 <sup>4</sup>	282,151 <sup>4</sup>	139,848 <sup>4</sup>	9,006	419,600	175,000
2015	6,435 <sup>4</sup>	305,592 <sup>4</sup>	144,221 <sup>4</sup>	8,309	378,500	175,000
2016	5,310 <sup>4</sup>	246,722 <sup>4</sup>	133,981 <sup>4</sup>	7,944	380,000	170,000
2017	6,267	302,501	140,839	7,615	344,100	170,000
2018	7,411 <sup>5</sup>	339,834 <sup>5</sup>	170,071 <sup>5</sup>	7,535	356,000	170,000
2019				7,587	346,700	170,000

<sup>1</sup> The Office trains employees to become professional accountants (CPA) as a key strategy to recruit staff. 40%–50% of training hours relate to training these students.

<sup>2</sup> The following table is the survey results of 2015 training policies of the legislative auditors across Canada. Ten out of 11 legislative auditors responded to the survey.

Type of Training	Legislative Auditors Average 2015	Provincial Auditor Saskatchewan 2015	Provincial Auditor Saskatchewan Forecast 2019
Training new staff to become professionals	10 days	11 days	10 days
Keeping existing professional staff current	10 days	8 days	9 days
Specialized training (e.g., IT, pensions, tax, etc.)	9 days	10 days	10 days

<sup>3</sup> Beginning in 2011, the Office planned to use more senior employee time for the training of other professional staff to transfer knowledge as part of the succession plan and in response to the significant changes in professional standards.

<sup>4</sup> Some management and specialized training was deferred to meet audit deadlines.

<sup>5</sup> This is an estimate for 2017-18 based on known information at October 31, 2017. Actual results may vary.



## ***4.0 Other Supporting Information***





## 4.1 Impact of Changes to Government Agencies on the 2018-19 Work Plan

The Office submits its request for resources in November of a year (2017) for the next April to March fiscal (2018-19) year. The Office bases its request on information known to October 31, 2017. The Office reflects information received after that date in the next request for resources.

The Office requests additional resources to audit new agencies (created), does not request resources to audit wound up agencies, and adjusts resources when agencies are significantly reorganized or there are changes in the government's use of appointed auditors.

### Impact of Changes in Government Agencies in 2018-19

	(thousands of dollars)	
<b>Created:<sup>1</sup></b>		
<b>Ministry of Advanced Education</b>		
University of Regina – Strategic Initiatives Fund	10.4	
University of Saskatchewan – Strategic Initiatives Fund	10.4	
<b>Ministry of Education</b>		
Saskatchewan Professional Teachers Regulatory Board	8.4	
<b>Ministry of Central Services</b>		
Provincial Capital Commission	6.9	
<b>Total Created</b>		<b>36.1</b>
<b>Wound Up:<sup>2,3</sup></b>		
<b>Ministry of Agriculture</b>		
Horned Cattle Fund	(10.8)	
Saskatchewan Grain Car Corporation	(3.2)	
<b>Total Wound Up</b>		<b>(14.0)</b>
<b>Net Impact of changes in Government agencies</b>		
<b>Increase (Decrease)</b>		<b>22.1</b>

<sup>1</sup> These agencies were created, became a government-controlled agency, or were subject to audit under *The Provincial Auditor Act* during 2017-18 and result in more work for the Office in 2018-19.

<sup>2</sup> These agencies were wound up, ceased to be a government-controlled agency, became inactive, or were no longer subject to audit under *The Provincial Auditor Act* during 2017-18 and result in less work for the Office in 2018-19.

<sup>3</sup> In March 2017, the Government announced the shutdown of the Saskatchewan Transportation Company. It is in the process of winding down and expects to have financial transactions until March 31, 2019. The agency remains subject to audit under *The Provincial Auditor Act* until wound down.

### Impact of Government Agency Reorganization in 2018-19

In 2017-18, the Government decided to transition the existing 12 regional health authorities into a single provincial health authority – the Saskatchewan Health Authority. The Saskatchewan Health Authority amalgamates the following regional health authorities:

- › Cypress
- › Five Hills
- › Heartland
- › Keewatin Yatthé
- › Kelsey Trail
- › Mamawetan Churchill River
- › Prairie North
- › Prince Albert Parkland
- › Regina Qu'Appelle
- › Saskatoon
- › Sun Country
- › Sunrise



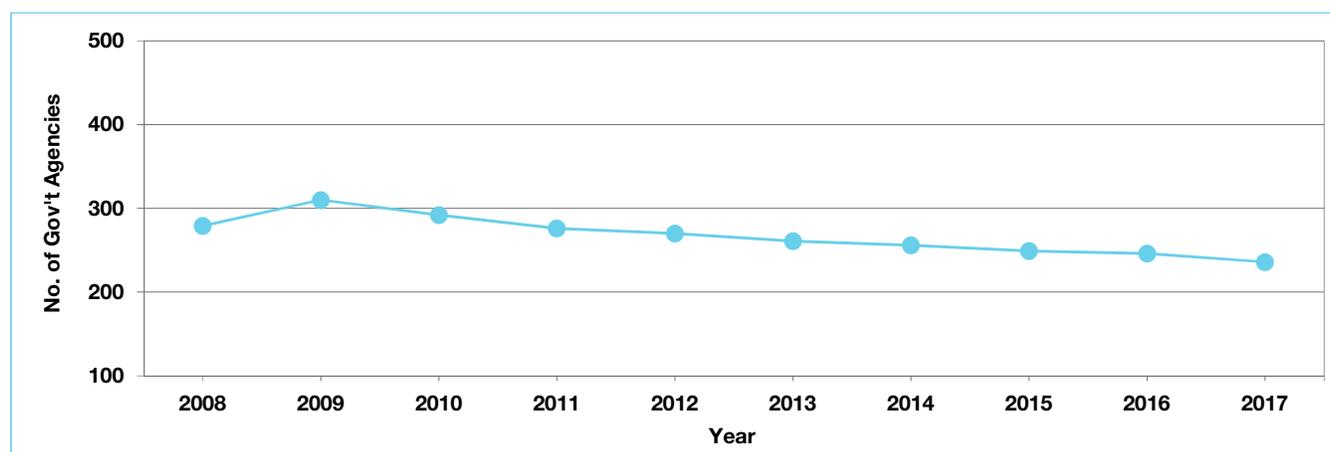
The Office is carrying out the annual audit of the Authority directly. It is a significant component of the Government of Saskatchewan's Summary Financial Statements. This reorganization did not change the total cost of our work related to the health authority sector. Other than for the Regina Qu'Appelle Regional Health Authority, appointed auditors did the annual audit of authorities.

## 4.2 Spending Trends

In response to a past request from members of the Standing Committee on Estimates and the Standing Committee on Public Accounts, the Office provides the following spending trends.

The number of agencies within the Government along with their size affects the work of the Office. Over the 10-year period from 2008 to 2017, the number of government agencies has decreased from 279 agencies in 2008 to 236 agencies in 2017.

### Total Number of Government Agencies from 2008 to 2017



To provide insight on the volume of government financial transactions that the Office is responsible to audit, the Office provides the Government's gross revenues and expenses, and gross assets and liabilities for the same 10-year period. Over the 10-year period from 2008 to 2017, the Office's spending increased by 24%; over the same period, the Government's gross revenue and expense have increased by 35% and its gross assets and liabilities have increased by 57%.

### Provincial Auditor Spending and Volume of Government Financial Activity from 2008 to 2017

Fiscal Year	Provincial Auditor Spending <sup>1</sup>		Volume of Government Financial Activity <sup>2</sup>			
	(in \$ millions)	% chg	Gross Revenue and Expense		Gross Assets and Liabilities	
			(in \$ billions)	% chg	(in \$ billions)	% chg
2008	\$ 6.3	5.0	\$ 32.2	9.5	\$ 44.4	6.5
2009	6.6	4.8	37.0	14.9	43.3	(2.5)
2010	7.0	6.1	35.9	(3.0)	45.9	6.0
2011	7.4	5.7	37.9	5.6	47.4	3.3
2012	7.4	-	39.1	3.2	49.3	4.0
2013	7.8	5.4	40.2	2.8	53.2	7.9
2014	8.0	2.6	42.2	5.0	57.2	7.5
2015	8.0	-	43.1	2.1	61.0	6.6



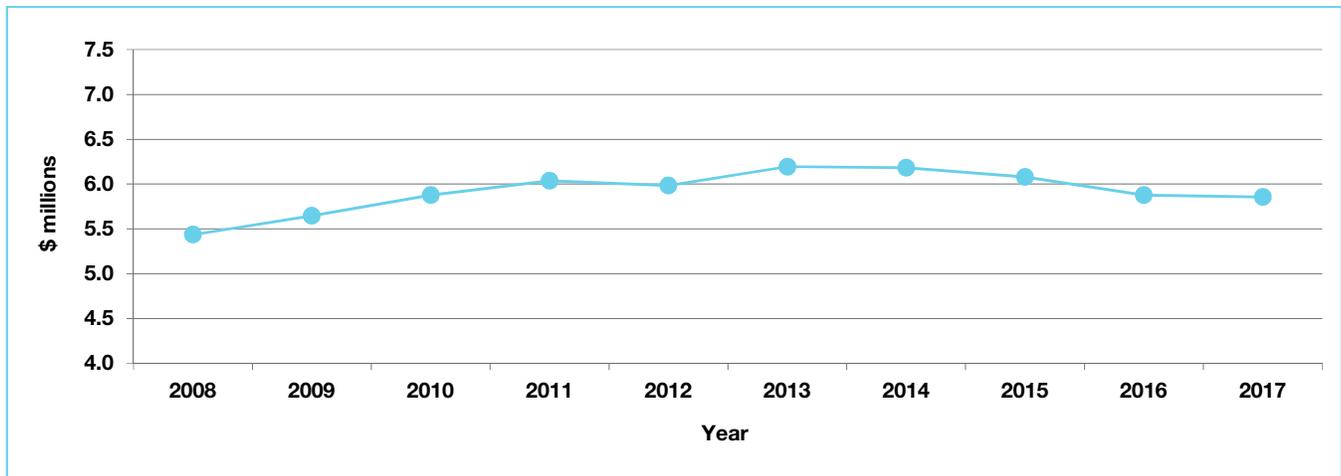
Fiscal Year	Provincial Auditor Spending <sup>1</sup>		Volume of Government Financial Activity <sup>2</sup>			
	(in \$ millions)	% chg	Gross Revenue and Expense		Gross Assets and Liabilities	
			(in \$ billions)	% chg	(in \$ billions)	% chg
2016	7.8	(2.5)	46.5	7.9	64.6	5.9
2017	7.8	-	43.6	(6.2)	69.7	7.9

<sup>1</sup> Provincial Auditor spending reflects the total operating expenses reflected in its audited financial statements. It does not include fees that appointed auditors charged government agencies.

<sup>2</sup> Derived from the Government of Saskatchewan Summary Financial Statements. Gross revenue and expense represents total revenue, total government business enterprises (GBE) revenue and expense, and total expense. Gross assets and liabilities represents total financial assets and total liabilities grossed up for the activities of GBE's and pensions.

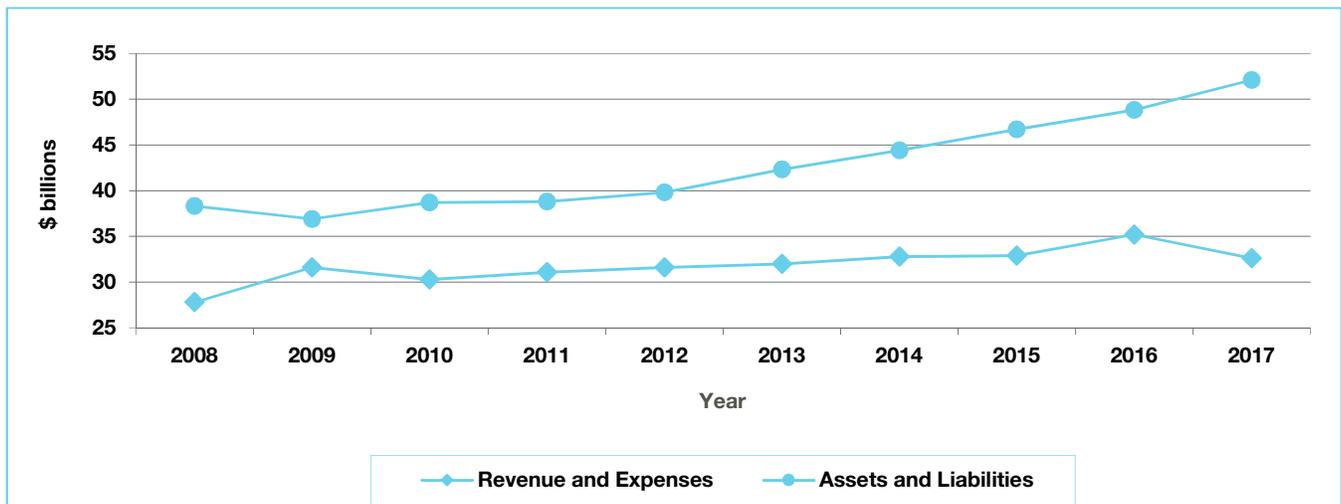
The graphs below show trends for the 10-year period from 2008 to 2017 in Provincial Auditor Spending and in Government Financial Activity each adjusted for inflation using 2002 as the base year.

### Provincial Auditor Spending from 2008 to 2017 Adjusted for Inflation



Provincial Auditor spending reflects the total operating expenses reflected in its audited financial statements adjusted for inflation using the Consumer Price Index of Saskatchewan and 2002 as the base year.

### Government Financial Activity from 2008 to 2017 Adjusted for Inflation



The Government's gross Revenue and Expenses and Gross Assets and Liabilities are adjusted for inflation using The Consumer Price Index of Saskatchewan and 2002 as the base year.



### 4.3 Out-of-Province Travel

Out-of-province travel costs from 2014-15 to 2018-19 (five years).

Out-of-Province Travel Costs															
	2014-15		2015-16		2016-17		2017-18		2018-19						
Forecast	\$	35,000	1,2	\$	30,000	1,2	\$	30,000	1,2	\$	28,000	1,2	\$	25,100	1,2
Actual		40,548	3		23,690			25,568			32,900	4			

- <sup>1</sup> Costs include participation in national working groups with the legislative audit community to agree on guidelines for auditing and reporting on performance. Also, some specialized training is not available in province (e.g., pension and benefit plans, gaming and insurance areas).
- <sup>2</sup> Costs anticipate that some specialized training will be available via webinar or in Saskatchewan decreasing out-of-province travel costs.
- <sup>3</sup> Some specialized training was not available in province as initially anticipated. Also, the timing of some annual CCOLA meetings attended by staff resulted in more meetings held during 2014-15 than normal.
- <sup>4</sup> This is an estimate to March 31, 2018. Actual results may vary. The timing of some annual CCOLA meetings attended by staff is anticipated to result in more meetings held during 2017-18 than normal. The actual to October 31, 2017 is \$14,545.

### 4.4 Senior Management Salaries

Annual salaries of senior management for the past five years and the percentage change from the previous year.

**Annual salaries as at March 31:**

	2013	2014	%chg from 2013 <sup>1</sup>	2015	%chg from 2014 <sup>2</sup>	2016	%chg from 2015	2017	%chg from 2016 <sup>3</sup>
Lysyk, B.	208,865	- <sup>4</sup>	-	-	-	-	-	-	-
Ferguson, J.	170,000	219,349 <sup>4</sup>	29.03	225,550	2.83	223,955 <sup>7</sup>	(0.71) <sup>7</sup>	227,914	1.77
Ahmad, M.	164,530	167,821 <sup>5</sup>	2.00	170,000	1.30	170,000	-	- <sup>10</sup>	-
Borys, A.	160,856	167,821 <sup>5</sup>	4.33	170,000	1.30	170,000	-	175,750	3.38
Clemett, T.	-	-	-	-	-	155,000 <sup>8</sup>	-	160,000	3.23
Deis, K.	150,000	159,120 <sup>5</sup>	6.08	170,000	6.84	170,000	-	175,750	3.38
Montgomery, E.	164,530	167,821 <sup>5</sup>	2.00	- <sup>6</sup>	-	-	-	-	-
O'Quinn, C.	-	-	-	-	-	155,000 <sup>9</sup>	-	160,000	3.23
Sommerfeld, R.	-	-	-	-	-	155,000 <sup>9</sup>	-	160,000	3.23

Note: *The Provincial Auditor Act* states that the Provincial Auditor's salary is the average of the salaries paid to Deputy Ministers and the Provincial Auditor receives any economic adjustments that Deputy Ministers receive.

- <sup>1</sup> The Government granted salary increases to all out-of-scope public servants of 2.0% on April 1, 2013.
- <sup>2</sup> The Government granted salary increases to all out-of-scope public servants of 1.25% on April 1, 2014.
- <sup>3</sup> The Government granted salary increases to all out-of-scope public servants of 1.65% on April 1, 2016.
- <sup>4</sup> Ms B. Lysyk resigned as Provincial Auditor effective August 31, 2013 and Ms J. Ferguson was appointed as Acting Provincial Auditor effective September 1, 2013.
- <sup>5</sup> Deputy Provincial Auditors also received \$833 per month from September 1, 2013 to May 31, 2014 and one Principal received \$625 per month from October 1, 2013 to March 31, 2014 in recognition of completion of additional duties resulting from the August 2013 resignation of the Provincial Auditor.
- <sup>6</sup> Mr. E. Montgomery retired effective May 31, 2014.
- <sup>7</sup> Ms J. Ferguson was appointed as Provincial Auditor effective June 1, 2015. The appointment set the salary rate for the Provincial Auditor at the average Deputy Minister salary effective April 1, 2015, which was lower than the rate effective April 1, 2014.
- <sup>8</sup> Ms T. Clemett was promoted to position of Deputy Provincial Auditor effective February 1, 2016.
- <sup>9</sup> Ms C. O'Quinn and Ms R. Sommerfeld were promoted to position of Deputy Provincial Auditor effective September 8, 2015.
- <sup>10</sup> Mr. M. Ahmad retired effective June 30, 2016.

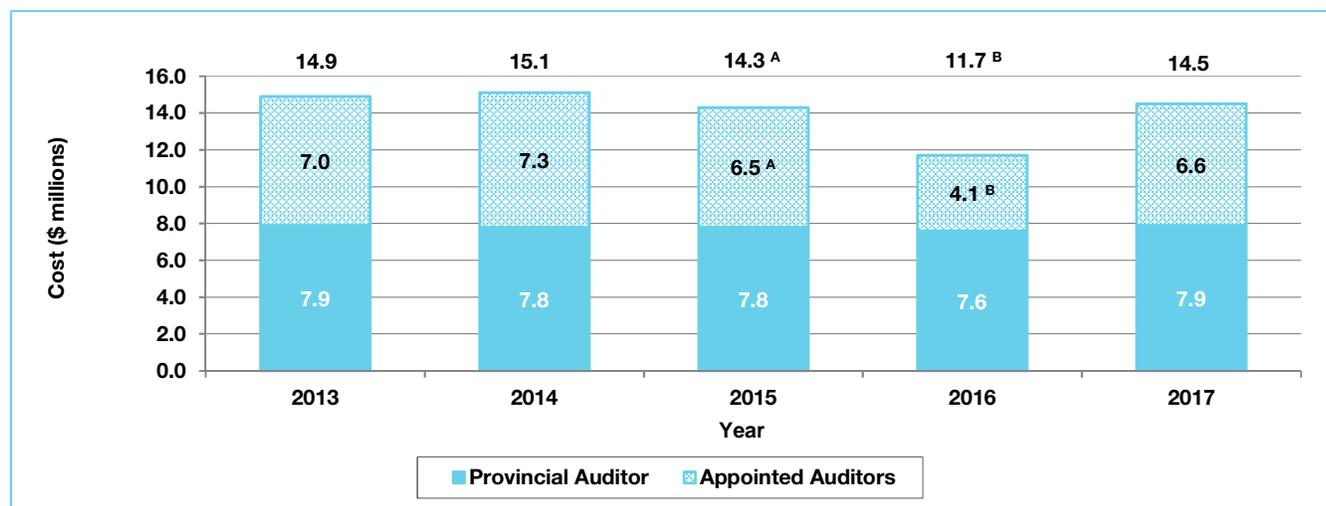


## 4.5 Total Costs to Audit Government Agencies

Following is a summary of the total costs to audit government agencies for the last five years.

Many of the 236 agencies that the Government manages use appointed auditors. The Government has stated that it uses appointed auditors so the Saskatchewan public accounting industry can develop and retain local expertise. As the Government is accountable for the costs of using appointed auditors, the Office's financial plan does not reflect the cost of their audit services. The Office's annual work plan reflects the known use of appointed auditors and impact on the way the Office carries out its work. The use of appointed auditors reduces the Office's costs but increases the total cost of auditing to taxpayers. It costs more to audit when there are two auditors.

### Total Costs to Audit the Government of Saskatchewan



<sup>A</sup> 2015 costs (i.e., for December 31, 2014 year-end) include \$2.8 million of appointed auditor costs to audit CIC, its subsidiaries and related entities.

<sup>B</sup> 2016 costs do not include the appointed auditor costs to audit CIC, its subsidiaries, and related entities given the change in timing of audit work related to these agencies. This change in timing resulted from the Government's November 2015 decision to change the fiscal year-end of CIC and its subsidiaries and related entities from December 31 to March 31. These costs are reflected in 2017 data.



## 4.6 Potential Areas of Focus for Performance Work

Government Sector/Agency	Potential Areas of Focus for Performance Work		
	Year 1	Year 2	Year 3
Advanced Education		<ul style="list-style-type: none"> <li>Buying goods and services</li> <li>Managing research</li> </ul>	<ul style="list-style-type: none"> <li>Board oversight</li> <li>Program completion rates among Indigenous students</li> </ul>
Agriculture	<ul style="list-style-type: none"> <li>Workforce management</li> </ul>	<ul style="list-style-type: none"> <li>Pest management</li> </ul>	
Central Services			<ul style="list-style-type: none"> <li>Records and information management</li> </ul>
Economy	<ul style="list-style-type: none"> <li>Confirming producer returns for non-renewable resource revenues</li> </ul>	<ul style="list-style-type: none"> <li>Buying goods and services</li> </ul>	<ul style="list-style-type: none"> <li>Oil and gas wells and facilities licensing</li> </ul>
Education	<ul style="list-style-type: none"> <li>Meeting Education Sector Strategic Plan math targets</li> <li>Buying goods and services</li> <li>Using technology in classrooms</li> </ul>	<ul style="list-style-type: none"> <li>Student participation and achievement in science</li> <li>Facility maintenance</li> <li>Readiness of Kindergarten students for learning in the primary grades</li> </ul>	<ul style="list-style-type: none"> <li>Student attendance</li> <li>Education in the north</li> <li>New child care programs</li> </ul>
Environment		<ul style="list-style-type: none"> <li>Fish population management</li> <li>Water rights licensing</li> </ul>	<ul style="list-style-type: none"> <li>Habitat for species at risk</li> </ul>
Executive Council	<ul style="list-style-type: none"> <li>Communication services</li> </ul>		
Finance	<ul style="list-style-type: none"> <li>Communicating to pension members</li> </ul>		
Government Relations	<ul style="list-style-type: none"> <li>SaskAlert services</li> </ul>	<ul style="list-style-type: none"> <li>Loan management</li> </ul>	<ul style="list-style-type: none"> <li>Provincial Disaster Assistance program</li> </ul>
Health	<ul style="list-style-type: none"> <li>Preventing and controlling hospital infections</li> <li>Delivering lab services</li> <li>Maintaining acute care facilities</li> <li>Securing mobile devices</li> <li>Managing opioids</li> </ul>	<ul style="list-style-type: none"> <li>Suicide protocols</li> <li>Rehabilitation services for disabled employees</li> <li>Air ambulance services</li> <li>Physician recruitment</li> </ul>	<ul style="list-style-type: none"> <li>Buying goods and services</li> <li>Palliative care</li> <li>Mental health</li> </ul>
Highways and Infrastructure			<ul style="list-style-type: none"> <li>Winter highway maintenance</li> </ul>



<b>Government Sector/Agency</b>	<b>Potential Areas of Focus for Performance Work</b>		
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Justice	<ul style="list-style-type: none"> <li>Managing clients' assets</li> <li>Providing coroner services</li> </ul>		
Labour Relations and Workplace Safety			<ul style="list-style-type: none"> <li>Mine safety</li> </ul>
Parks, Culture and Sport	<ul style="list-style-type: none"> <li>Grant applications</li> </ul>	<ul style="list-style-type: none"> <li>Safe drinking water in provincial parks</li> </ul>	<ul style="list-style-type: none"> <li>Funding decisions</li> </ul>
Saskatchewan Liquor and Gaming Authority		<ul style="list-style-type: none"> <li>Regulating sale of liquor</li> </ul>	
Social Services	<ul style="list-style-type: none"> <li>Responding to suspected child abuse and neglect calls</li> </ul>	<ul style="list-style-type: none"> <li>Child protection</li> </ul>	
Workers' Compensation Board			<ul style="list-style-type: none"> <li>Psychological injury claims</li> </ul>
Saskatchewan Government Insurance	<ul style="list-style-type: none"> <li>Using speed cameras</li> </ul>		
Saskatchewan Power Corporation		<ul style="list-style-type: none"> <li>Clean energy</li> </ul>	
SaskEnergy Incorporated		<ul style="list-style-type: none"> <li>Natural gas pipeline integrity</li> </ul>	



## ***5.0 The Office's 2017-2021 Strategic Plan***





## Preamble

This 2017-2021 Strategic Plan outlines what the Office intends to accomplish from 2017 to 2021 to achieve its vision and mission. See **Appendix 1** for definitions of key terms used in this Plan. This Plan provides a foundation for developing the Office's *Annual Business and Financial Plan* provided to the Standing Committee on Public Accounts each year. In addition, it provides us with a strategic framework to assess and report on our performance.

### VISION

**A valued and independent legislative audit office advancing excellence and inspiring confidence in public sector performance**

### MISSION

**We promote accountability and better management by providing Legislators and the public with an independent assessment of the government's use of public resources**

When developing and finalizing this Plan, the Office used external information and consulted with some of its key stakeholders. Its stakeholders are individuals and groups that directly affect the Office or conversely, that the Office interacts with in the fulfillment of its mandate. While the Office has many stakeholders, its key stakeholders include its primary clients (i.e., legislators [such as members of the Standing Committees on Public Accounts and on Crown and Central Agencies], and the public), and Saskatchewan's public sector ministries and agencies (e.g., regional health authorities, school divisions, Crown corporations).

In addition, the Office prepared this Plan within the context of the following key risks, and the external forces and trends set out in **Appendix 2**. Careful and prudent management of these risks and appropriate consideration of the identified external forces and trends are critical to the Office's success.

### KEY RISKS

**Our stakeholders do not support our goals and objectives**

**Government does not act on our recommendations**

**The Standing Committees on Public Accounts and Crown and 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**





## VALUE STATEMENTS

The Office uses the following 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.

**Independence—We maintain objectivity**

**Innovation—We challenge the status quo to strive for excellence**

**Trust and Integrity—We are professional, honest, courteous, and fair**

**Leadership—We lead by example and encourage open communication and teamwork**

**Balance—We support harmony between work, personal life, and community involvement**

**Learning—We promote a culture of continuous learning that stimulates personal and professional growth**

**Diversity of Thought—We gain strength from our varied experiences, knowledge, and backgrounds**

**Accountability—We take responsibility for our work and performance**

## Strategic Goals and Priorities

The Plan includes the following four strategic goals and supporting priorities. The Office's supporting strategic priorities reflect areas of focus or change conditions that require the Office to invest time and resources to achieve its strategic goal.

<b>Strategic Goal and Strategic Priority (SP)</b> By 2021, the Office intends to:	<b>Rationale and Description</b>
<p><b>Goal 1 – Demonstrate focus on the most relevant audit areas</b></p> <p>SP#1 - Seek input from key stakeholder groups to identify areas of focus</p> <p>SP#2 - Streamline processes to determine areas of focus</p> <p>SP#3 - Communicate multi-year work plan with key stakeholders</p>	<p><i>The Provincial Auditor Act (Act) makes the Office the auditor of all Provincial Government ministries and agencies. As an independent legislative audit office, the Office is uniquely positioned to carry out objective and unbiased audits independent of the Government.</i></p> <p>The Office carries out various types of audits (e.g., integrated [financial-related], performance, and follow-ups) using Canadian professional auditing standards. The Act gives the Office the power to decide what work to do, how to carry it out, and when.</p> <p>For the Office's work to be relevant, it must focus its efforts on areas of public interest, and on where it can add value to its clients, and other key stakeholders. 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.</p>



<b>Strategic Goal and Strategic Priority (SP)</b> By 2021, the Office intends to:	<b>Rationale and Description</b>
<b>Goal 2 – Sustain an engaged work force that contributes to the Office’s success</b>  SP#1 - Support leadership development SP#2 - Enhance strategies to recruit/retain staff SP#3 - Equip staff to effectively manage change	<p>As reflected in the external forces and trends (see <b>Appendix 2</b>), the Office operates within an environment of constant change. Recent key changes directly affecting the Office include the amalgamation of the professional accountancy profession, various senior staff deciding to retire or pursue alternate career opportunities, and fiscal pressures across the Government.</p> <p>The Office carries out both financial and non-financial audits. Besides training staff to become professional accountants and strategically contracting expertise for its non-financial work, the Office must attract and retain staff with diverse skill sets (e.g., financial, information technology, internal control systems, performance management, governance, risk management).</p> <p>The Office’s staff are its most valuable resource because the quality and timeliness of the Office’s work depends on their knowledge, skills, and professionalism. The Office must make sure its staff have and maintain the necessary knowledge and skills; it must provide staff with a supportive work environment conducive to facilitating timely and quality work.</p>
<b>Goal 3 – Improve our delivery of reliable audits at a reasonable cost</b>  SP#1 - Continuously improve our work SP#2 - Meet professional standards SP#3 - Deploy resources based on reasonable budgets and deadlines	<p>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.</p> <p>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 being accepting of new ideas and change.</p>
<b>Goal 4 – Increase the awareness of the role of the Office</b>  SP#1 - Educate the legislators, public, and public sector agencies about the work we do SP#2 - Enhance accessibility to the work we do	<p>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.</p> <p>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 will help ensure legislators, the public, and others have a clear and accurate understanding of its role and responsibilities.</p>





## Performance Measures and Targets

The Office uses performance measures and targets to measure its progress towards achieving its strategic goals and priorities. This Plan sets out targets the Office intends to achieve by 2021. Each performance target embodies the related measure. The Office plans to report its progress on each of these performance measures and targets in its *Annual Report on Operations*. This Report is tabled in the Legislative Assembly each year.

Strategic Goals & Priorities	2017-21 Performance Target	Rationale and Description of Measure
<p><b>Demonstrate focus on the most relevant audit areas</b></p> <p><b>Priorities</b>            SP#1 - Seek input from key stakeholder groups to identify areas of focus            SP#2 - Streamline processes to determine areas of focus            SP#3 - Communicate multi-year work plan with key stakeholders</p>	<p>Government acts on 85% of the Office's recommendations</p>	<p>The Office makes recommendations to help improve the Government's performance reports and 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.</p> <p>The Office groups its recommendations into two types:</p> <ul style="list-style-type: none"> <li>» 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</li> <li>» Type 2 recommendations are those that are more difficult to carry out and may take up to 5 years to implement; these are tracked over a 10-year period</li> </ul>
	<p>The Standing Committees on Public Accounts and Crown and Central Agencies accept 90% of our recommendations</p>	<p>The support of Standing Committees of Public Accounts and Crown and Central Agencies is critical to help hold the Government accountable and help improve public sector management. The Office makes recommendations to help improve accountability and the delivery of programs. The Committee's acceptance of our recommendations is an indication of the Assembly's confidence in and satisfaction with the Office's work.</p> <p>Established practice of the Standing Committees of Public Accounts and Crown and Central Agencies is to decide whether they agree with the Office's recommendations in their review and consideration of the Office's reports.</p> <p>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.</p> <p>The Office tracks the Committees' consideration of its recommendations over a five-year period using Committee decisions as reflected in the Committees' minutes.</p>





Strategic Goals & Priorities	2017-21 Performance Target	Rationale and Description of Measure
	Auditees' post-audit feedback acknowledges value and satisfaction with our work	<p>The management of public sector ministries and agencies are key stakeholders of the Office—they are who we audit. For the Office to be successful in its vision and mission, auditees must view the Office's work as being relevant and valuable.</p> <p>Since 1998, the Office has surveyed agencies it audits to obtain their feedback on their satisfaction with the Office's work. The Office tracks post-audit feedback over a five-year period.</p> <p>Since 2014, the survey asks agencies to:</p> <ul style="list-style-type: none"> <li>› Acknowledge the value of the Office's work related to whether:               <ul style="list-style-type: none"> <li>○ Reports to the agency's Minister were understandable, accurate, and relevant (reports)</li> <li>○ Recommendations to the agency were feasible and result in proper management of public resources and accountability (recommendations)</li> </ul> </li> <li>› Indicate their level of satisfaction with the Office's work related to whether:               <ul style="list-style-type: none"> <li>○ Planned work for the agency met its needs and that the Office carried out its work according to the plan (responsiveness)</li> <li>○ Office employees were knowledgeable and carried out their work professionally and courteously (professionalism)</li> </ul> </li> </ul>
<p><b>Sustain an engaged work force that contributes to the Office's success</b></p> <p><b>Priorities</b>            SP#1 - Support leadership development            SP#2 - Enhance strategies to recruit/retain staff            SP#3 - Equip staff to effectively manage change</p>	Results of annual staff survey indicate a positive level of satisfaction with the Office's working environment	A good working environment for employees assists with employee productivity and retention. Since 1994, the Office has surveyed employees on satisfaction annually. The survey provides employees with an opportunity to express their level of satisfaction on 11 key indicators of the Office's working environment.
	Training in the Office averages a minimum percentage of 7% of available working hours	<p>To maintain staff competencies and its status and abilities as a training office for legislative auditors, the Office must allocate sufficient resources for training activities. The Office tracks the time each employee spends on training activities.</p> <p>Working hours is the time available after deducting vacation leave, statutory holidays, and sick leave.</p>
<p><b>Improve our delivery of reliable audits at a reasonable cost</b></p> <p><b>Priorities</b>            SP#1 - Continuously improve our work</p>	<p>The Office provides assurance within agreed upon timelines</p> <ul style="list-style-type: none"> <li>› Provides at least 75% of reports to Government agencies by agreed upon dates</li> </ul>	<p>Legislators, the public, and government agencies need timely assurance to have confidence in the Office's findings and recommendations.</p> <p>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. The Office sets out planned dates in</p>



Strategic Goals & Priorities	2017-21 Performance Target	Rationale and Description of Measure
SP#2 - Meet professional standards SP#3 - Deploy resources based on reasonable budgets and deadlines	<ul style="list-style-type: none"> <li>› Submits Volume 1 within first two weeks of June and Volume 2 within first two weeks of December</li> </ul>	<p>audit plans discussed with and provided to government agencies. For financial statement audits, it sets planned dates consistent with statutory tabling deadlines.</p> <p>The Office has regularly scheduled the completion of its reports on the results of its work to the Assembly (e.g., Volume 1). The Office reports the results of audits in the report following their completion. Consistent with <i>The Provincial Auditor Act</i>, the Office submits its reports to the Speaker for tabling in the Assembly.</p>
	<p>Office completes audits within planned costs as set out in its approved budget</p>	<p>The Office wants to provide relevant, reliable, and timely products and services at a reasonable cost. The Office tracks the planned and actual costs to examine each government agency each year.</p> <p>The Office's annual <i>Business and Financial Plan</i> sets out planned costs to examine government agencies for the year of the Plan. The Office's <i>Annual Report on Operations</i> compares the planned to actual costs to examine agencies for that year and explains significant differences, if any.</p>
	<p>CPA Saskatchewan practice inspectors, Canadian Council of Legislative Auditors (CCOLA) peer reviewers, and the Office's external independent auditor on the work of the Office do not report any significant deficiencies on the Office's policies and practices</p>	<p>CPA Saskatchewan periodically (about every two to three years) inspects the Office to determine whether the Office has policies, practices, and procedures in place that would enable it to provide public accounting services in accordance with the standards of the profession.</p> <p>On a voluntary basis, the Office participates in the Inter-jurisdictional Peer Review Process of CCOLA. Every second year, it plans to ask another legislative audit office to review a number of its audit files to determine whether its audit work complied with generally accepted auditing standards published by CPA Canada (professional standards).</p> <p>The Assembly requires an annual audit of the Office by an auditor who is independent of the Office. This auditor has the same audit responsibilities as the Office. Each year, this auditor provides the Assembly with his/her opinion on the following:</p> <ul style="list-style-type: none"> <li>› The reliability of the Office's financial statements</li> <li>› The effectiveness of the Office's financial controls</li> <li>› The Office's compliance with <i>The Provincial Auditor Act</i></li> <li>› The reliability of the Office's key non-financial performance indicators</li> </ul>



Strategic Goals & Priorities	2017-21 Performance Target	Rationale and Description of Measure
<p><b>Increase the awareness of the role of the office</b></p> <p><b>Priorities</b>            SP#1 - Educate the legislators, public, and public sector agencies about the work we do            SP#2 - Enhance accessibility to the work we do</p>	<p>Results of annual survey of public familiarity with the Office indicate a positive trend over a five-year period.</p>	<p>To achieve the Office’s vision and mission, it is important that the public is aware of the Office’s work and the role of the Provincial Auditor as an independent Officer of the Legislative Assembly.</p> <p>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.</p>

## Appendix 1: Key Definitions and Acronyms

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

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

**Mission**—The fundamental purpose or reason for being, 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 towards 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., behavioral guidance)

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



## Appendix 2: External Forces and Trends

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

External Force / Trend	KEY ASPECTS
<b>1. Changing Demographics and Diversity</b>	<ul style="list-style-type: none"> <li>› Continued diversification and growth of Saskatchewan’s population and increased proportion of Aboriginal people and immigrants</li> <li>› New expectations and requirements for the delivery of public services of immigrants</li> <li>› Increased economic disparity</li> <li>› An aging population with increased pressure to remain in their own homes</li> <li>› Changes in demands on government programs and resources such as healthcare</li> </ul>
<b>2. Technology Change, Complexity, and Usage</b>	<ul style="list-style-type: none"> <li>› High adoption rates for social media communication tools (e.g., Facebook, Twitter, blogs, YouTube) giving increased ability for public to raise an issue and define debate immediately</li> <li>› Increased emphasis on use of websites and real-time communication in service delivery</li> <li>› Increased service delivery expectations resulting from scientific advances (e.g., use technology to do work better and faster)</li> <li>› Increased challenges with capturing and analyzing Big Data given lesser attention paid to completeness and accuracy of data</li> <li>› Growth in computer processing power and drops in price of computer chips driving changes in service models</li> <li>› Increased use of technology (e.g., wireless and handheld systems, cloud computing) causing new audit, security, and privacy risks (e.g., protection of personal and private information)</li> </ul>
<b>3. Increased Regulatory Oversight of Professional Accountants</b>	<ul style="list-style-type: none"> <li>› Increased consideration of public interest by standard setters and regulators influencing accounting and assurance standards and related conceptual frameworks and rigour of scrutiny and quality control processes</li> <li>› Impending changes to audit reporting model (key audit matters) impacting audit reports and discussions with those charged with governance</li> <li>› Changes in professional accounting and assurance (auditing) standards creating need for new training, ongoing development, and new internal processes</li> </ul>
<b>4. Use of multiple financial reporting frameworks in the Saskatchewan public sector (e.g., public sector standards for governments for summary financial statements, public sector standards for not-for-profit organizations for regional health authorities, International Financial Reporting Standards for government business enterprises)</b>	<ul style="list-style-type: none"> <li>› Differing accounting rules and presentation of financial information of each financial reporting framework adds complexity to understanding the government’s finances and to the preparation of summary financial information (budget and financial statements)</li> <li>› Increases the nature and extent of knowledge required of financial information preparers and auditors</li> <li>› Changes in professional accounting and related auditing standards creating need for new training, ongoing development, and new internal processes</li> <li>› New and ever changing “financial statement preparer rules” impacting the content and presentation of financial information and audit work</li> </ul>



External Force / Trend	KEY ASPECTS
<b>5. Changes in Government Service Delivery Model</b>	<ul style="list-style-type: none"><li>› Continued public demand for openness and transparency</li><li>› Continued demands on reduced administration resulting from public expectations for smaller, more efficient government</li><li>› Pressure on reduced administration may cause deliberate or inadvertent elimination or ignoring of key processes</li><li>› Increasing expectations for direct and meaningful public participation in decision making including access to services</li><li>› Emphasis on effective governance systems and practices of governing bodies</li><li>› Increased use of alliances and partnerships with other jurisdictions, governments, and private sector</li><li>› Increased emphasis on risk assessment, and timely adoption of research-proven best practices in a variety of disciplines impacting best practices or criteria</li><li>› Increased diversity of delivery models (e.g., public-private partnerships (P3s), multi-agency collaboration, quasi or non-government agency delivery) increasing need to understand advantages and risks of each</li></ul>
<b>6. Changes in the Public Sector Workforce</b>	<ul style="list-style-type: none"><li>› Multiple generations in the workplace with differing values and styles (e.g., use of social media, working from home)</li><li>› Mobility of young people to pursue multiple careers; loss of employer loyalty; international interconnectivity</li><li>› Increased cultural diversity in the workplace</li><li>› Loss of corporate knowledge and history resulting from retirements of baby boomers employed in the public sector</li><li>› Increased opportunity for changing service delivery model given nature and extent of changes in workforce</li><li>› Increasing competition for the best employees</li><li>› Delayed retirements because of poor or lower than desired investment returns</li><li>› Pressure on government to review pension / benefit plans</li><li>› Impact on quality of program and service delivery of reduced size of the public sector workforce</li><li>› Ability to hire and retain staff given increased concerns over competitiveness of public sector compensation</li></ul>
<b>7. Sustainability and Protecting the Physical Environment</b>	<ul style="list-style-type: none"><li>› More severe and intense weather events such as floods, fires, tornadoes, droughts, etc. requiring unanticipated public resources and timely responses (emergency management)</li><li>› Increasing public expectations for sustainable development and management; need for longer term planning and strategies</li><li>› New results-based regulatory systems</li><li>› Impact of international and federal expectations on provincial environmental programs and policies</li></ul>





External Force / Trend	KEY ASPECTS
<b>8. Focus on Infrastructure</b>	<ul style="list-style-type: none"><li>› Increased need for long-term capital planning and asset management practices given aging infrastructure, growing infrastructure deficits, and fiscal restraint</li><li>› Increased wear and tear on infrastructure and rethink of its location (e.g., schools, long-term care) given population changes</li><li>› Pressure from Saskatchewan’s export-based economy on the location, quality, and connectivity of transportation systems</li><li>› Balancing benefits and costs of using new infrastructure models (e.g., P3s) over the long term and effectively overseeing related arrangements</li><li>› Balancing the demands for certain technology-based infrastructure (cellular and digital networks) with high cost and fast pace of obsolescence</li><li>› Auditing long-term horizon projects (e.g., P3s)</li></ul>
<b>9. Impact of Global Markets</b>	<ul style="list-style-type: none"><li>› Increased volatility in financial markets, capital markets on investment earnings, ability and cost of borrowing, and repaying debt</li><li>› Potential impact of volatility of markets on sustainability of open defined benefit pension plans</li><li>› Increased volatility of provincial income resulting from volatile resource economy—oil, potash, uranium, etc.</li><li>› Pressure for fiscal restraint and prudent fiscal management on governments</li><li>› Increased requirement to work with other governments increasing importance of effective relationships with them</li></ul>
<b>10. New Financing Structures in Government</b>	<ul style="list-style-type: none"><li>› Increased use of public-private partnerships and other forms of private capital to fund public services</li><li>› Increased use of alliances and partnerships with other jurisdictions and governments</li><li>› Increased need to understand and explain complex arrangements (e.g., who holds which risks, accountability for delivering on commitments, basis for key decisions, long term impact)</li><li>› Continued focus on risk management, governance in the public sector</li><li>› Increased complexity and assurance requirements resulting from new financing structures</li></ul>
<b>11. Evolving Relationships Between Legislative Auditors and Legislative Committees, (i.e., PAC, CCAC)</b>	<ul style="list-style-type: none"><li>› Increased sharing of “best practices” for legislative committees (domestically, internationally) and use as a guide for implementation and management</li><li>› Desire of best practices to increase the effectiveness of legislative scrutiny committees (e.g., changes in information provided to committee, use of research officers)</li><li>› Varied expectations and understanding of legislative officers and their respective roles</li></ul>