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## **Main points**

In this chapter, we set out the results of our audits of the Department of Justice and the agencies it manages for the year ended March 31, 2003.

The Department needs to have better processes to track, enforce, and collect fines. The Department does not know if it has enforced all fines and charges. This lack of adequate rules and procedures could result in the Department not achieving its goals of safer communities and upholding the rule of law.

The Department needs an adequate contingency plan for its information technology systems. Without such a plan, the Department risks missing commitments, delaying decisions, and losing essential data.

The Department relies on its internal auditor to provide it with information on the effectiveness of the Department's processes to safeguard public resources and ensure that it complies with the law. The Department should focus the audit work on the processes and transactions where the Department is at greatest risk of loss of public money or spending money for unintended purposes.

We also report a follow-up of our recommendations in our 2002 Fall Report – Volume 2 of our audit of the Department's capital assets plan. We found that the Department now has adequately implemented our recommendations for its capital assets plan.

## Introduction

The mandate of the Department of Justice is to promote safe communities, social and economic order, and fair and just relations through the operation of an independent, impartial, and effective justice system. The justice system is to uphold the rule of law and protect the basic legal rights of citizens.

The Department provides legal services for the Government, and justice and police services for the people of Saskatchewan. The Department also administers registry systems for corporations and local registrars (including trust accounts), and regulates pensions, credit unions, and businesses.

The Government's summary financial statements show expenditures of \$302 million for the year ended March 31, 2003 (March 31, 2002 - \$299 million) for the protection of persons and property.

The following table shows the total government expenditures for protection of persons and property by agency.

	(in millions of dollars)	
	2003	2002
Department of Justice	\$ 184	\$ 237
Department of Corrections & Public Safety	116	---
Less expenditures by Justice and Corrections for purposes other than the protection of persons and property	(53)	(15)
Information Services Corporation of Saskatchewan	38	54
Department of Labour	14	13
Other government agencies	3	10
	<u>\$ 302</u>	<u>\$ 299</u>

During the year, the Department also earned revenues of \$67 million. Information about the Department's revenues and expenditures appears in the Department's 2002-2003 annual report, see <http://www.saskjustice.gov.sk.ca>).

The following is a list of the Department's major programs and spending as reported in the 2002-03 Public Accounts:

	<u>Original Estimates</u>	<u>Actual</u>
	(in millions of dollars)	
Community justice	\$ 93	\$ 93
Court services	34	34
Marketplace Regulation	4	4
Accommodation and central services	12	12
Legal services	17	18
Administration	4	4
Boards and commissions	20	19
	<u>\$ 184</u>	<u>\$ 184</u>

The Department is also responsible for the operations of several trust and special purpose funds and Crown agencies with years ending March 31, 2003. These include:

Judges of the Provincial Court Superannuation Plan  
Law Reform Commission of Saskatchewan  
Office of the Rentalsman Trust Account  
Provincial Mediation Board Trust Account  
Public Guardian & Trustee of Saskatchewan  
Queen's Printer Revolving Fund  
Saskatchewan Legal Aid Commission  
Saskatchewan Legal Aid Commission Pension Plan  
Trust Accounts at Court House, Local Registrars, and Sheriff's Offices  
Victims' Fund

## Our audit conclusions and findings

**In our opinion, for the year ended March 31, 2003:**

- ♦ **the financial statements for the funds and agencies are reliable;**
- ♦ **the Department and its funds and agencies had adequate rules and procedures to safeguard public resources except where we report otherwise in this chapter; and**

- ♦ the Department and its funds and agencies complied with the authorities governing their activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing except where we report otherwise in this chapter.

## System to track, enforce, and collect fines needs improvement

The Department is responsible to track, enforce, and collect fines for offences under various provincial and federal laws. The purpose of a deterrent such as a fine or jail is to discourage the public from violating the law. If deterrents are not enforced, they will not be effective. Without effective deterrents, our communities will be less safe.

The Department's processes for administering fines include:

- ♦ controlling the distribution and receipt of tickets to and from law enforcement agencies;
- ♦ ensuring the accurate and complete recording, tracking, and enforcement of tickets;
- ♦ controlling the recording and receipt of fine payments; and
- ♦ collecting unpaid fines.

The Department told us that law enforcement agencies issue between 130,000 and 150,000 tickets each year.

In this section, we describe weaknesses in the Department's processes to distribute tickets, record issued tickets, and collect unpaid fines.

### ***The distribution and receipt of tickets***

The Department needs to improve its processes for the distribution and receipt of tickets and informations. Informations are charges or complaints made under *The Criminal Code of Canada*. Improvements in processes are necessary so that the Department properly enforces fines

and criminal charges. Several provincial government agencies, as well as other levels of government (i.e., federal and municipal), rely on the Department to enforce fines and charges issued under various provincial and federal laws.

For purposes of this chapter, we refer to tickets and informations as tickets. Tickets may result in either fines or criminal charges.

We expected the Department to have processes to know:

1. the tickets it has distributed to law enforcement agencies;
2. the tickets issued by law enforcement agencies; and
3. unissued tickets.

We expected the Department to have cost-effective processes that track tickets directly or require law enforcement agencies (agencies) to provide it with periodic reports on their tracking of tickets. If the Department used reports from agencies to track tickets, we expected it to verify the reliability of those reports.

The Department does not have adequate processes to track distributed tickets. It does not keep track of which agencies received informations from the Department. In addition, it does not consistently follow its processes to track distributed tickets. In 2002-03, the Department did not track which agencies received 7% of its distributed tickets.

The Department does not have processes directly or through agencies to track issued and unissued tickets it distributed to agencies. As a result, it does not know if it has recorded all tickets issued by agencies. Our tests show that the Department cannot account for tens of thousands of tickets distributed to agencies over the past five years. The Department does not know if these missing tickets have been issued, voided, cancelled, or lost. As a result, the Department does not know if it has enforced all fines and criminal charges. This lack of rules and procedures could result in the Department not achieving its goals of safer communities and upholding the rule of law.

On February 18, 2002, the Standing Committee on Public Accounts (PAC) considered this matter and agreed with our recommendations. At this meeting, the Department told PAC that it was not able to track issued

tickets because of a lack of fiscal resources and underlying information technology systems.

We think it is possible to have a cost-effective process for tracking tickets. For example, as noted previously, the Department could ask law enforcement agencies to track the tickets and report the results periodically to the Department.

We continue to recommend that the Department:

- ◆ follow its established procedures for recording tickets distributed to law enforcement agencies; and
- ◆ strengthen its procedures to ensure that the Department records the tickets issued by law enforcement agencies.

### ***The collection of unpaid fines***

For several years, we have reported that the Department needs to improve its procedures for collecting court-ordered fines. In our 2002 Fall Report – Volume 2, we recommended that the Department review its procedures for collecting fines. In addition, we recommended that the Department:

- ◆ implement the recommendations of the Department's Fine Collection Review Committee;
- ◆ establish performance targets for fine collections and the performance measures needed to monitor progress in achieving the desired targets; and
- ◆ ensure that when repeat offenders appear in court, the Department informs the sentencing judge of any unpaid fines.

On February 18, 2002, PAC considered this matter and agreed with our recommendations.

We are pleased to report that the Department has made progress in implementing our recommendations.

The Department has completed a review of its fine collection procedures including a cost/benefit analysis. The Department has recommended new collection policies and procedures to Treasury Board and has requested additional resources. The cost-benefit analysis shows that the additional cost of the proposed collection procedures would be less than the increased fines collections. At the date of this report, Treasury Board has not accepted the Department's request.

The Department has implemented all but one of the recommendations of its Fine Collection Review Committee. The Department has determined that a few of the Committee's recommendations are not practical. We agree with the Department's assessment. The Department has not implemented the Committee's recommendation to develop comprehensive, accurate financial reports so that management can compare actual collections with expected collections.

The Department has set out a performance measure for fine collections in its annual report for the year ended March 31, 2003. It plans to set a performance target for fine collections and to report its progress in achieving this target in future annual reports.

We continue to recommend that the Department:

- ◆ implement the recommendation of the Fine Collection Review Committee to develop comprehensive, accurate financial reports so that management can compare actual collections with expected collections; and
- ◆ ensure that when repeat offenders appear in court, the Department informs the sentencing judge of any unpaid fines.

The Department also told us that it has implemented a pilot project at one court location to ensure that when repeat offenders appear in court, the Department informs the sentencing judge of any unpaid fines.

## **Contingency plans required**

The Department needs a written, tested, and approved contingency plan for its information technology (IT) systems.



The Department depends on its IT systems to carry out its programs and services. To provide continuous service, the Department must ensure that its IT systems and data are available when needed.

The Department stores copies of its IT systems' data, (i.e., it makes regular copies of essential information and stores the information in a safe location). However, it does not have a contingency plan for the equipment and facility needs of the Department that support its IT systems. Having backup copies of data is of no use if the computer equipment and facilities needed to use the data are not available.

The Department has identified its key IT systems and the length of time it could continue to operate without these systems. The Department has also taken steps for some of its key systems to ensure that appropriate computer equipment and facilities would be available if needed. The Department needs to continue with this process to ensure that it has adequate plans to ensure the availability of all key systems.

Until the Department has an adequate contingency plan, it faces increased risk that:

- ◆ it may miss commitments, delay decisions, and lose essential data; and
- ◆ it may face increased program and service costs and declining public confidence in the Department.

We have reported this matter since 1997. On October 8, 1998, PAC considered this matter and agreed with our recommendation.

We continue to recommend that the Department prepare a written, tested, and approved contingency plan for its systems.

## **Internal audit needs strengthening**

The Department needs to ensure that the internal auditor can provide it with information on the effectiveness of the Department's controls to safeguard public resources and to ensure that its revenues and expenses comply with the law.

The Department's objectives for the internal auditor include providing senior management with information on the effectiveness of the Department's processes to safeguard public resources and to ensure that its revenues and expenses comply with the law.

The Department has not directed its internal auditor to meet the Department's expectations. The internal auditor's work focuses on the Department's revenue systems such as court offices and local registrars. The Department should ensure that the internal auditor audits those processes and expenditures where the Department is at greatest risk of loss of public money or spending money for unintended purposes.

- 1. We recommend that the Department of Justice focus the work of its internal auditor on the processes and transactions where the Department is at greatest risk of loss of public money or spending money for unintended purposes.**

We are encouraged by the Department's recent actions on this issue. The Department has approved the development of a risk assessment process for the Department. Once implemented, this process should provide better direction for the internal auditor.

## **Capital assets planning—a follow-up**

To carry out its role, the Department must ensure that it has the capital assets necessary to meet the needs of the justice system. Capital assets enable the Department to deliver programs and services to pursue its mission of promoting safe communities, social and economic order, and just relations.

The Department's main capital assets include facilities and information technology systems. The Department rents facilities from Saskatchewan Property Management Corporation (SPMC). These include courthouses and office space (and, until the reorganization, correctional facilities). The Department spends approximately \$12.5 million annually on rent. The Department also has significant information technology capital assets.

In 2002, we audited the Department's capital assets plan. We assessed whether the capital assets plan of the Department of Justice included an

adequate discussion of the key elements of capital assets plans in the public sector.

We found that the Department's capital assets plan included adequate information on the key elements for capital assets plans, except for the following matters. The Department did not adequately summarize the capital assets it would require for future program delivery. In addition, the Department did not adequately set out the criteria it used to select its capital assets strategies.

In our 2002 Fall Report – Volume 2, we recommended that the Department:

1. Include in its capital assets plan a summary of all of the key capital assets it will require to deliver programs and services; and
2. Include in its capital assets plan the criteria it uses to select capital assets strategies.

In 2003, we evaluated the Department's response to our recommendations. We found that the Department now has adequately implemented our recommendations for a capital assets plan.

## **Summary of capital assets**

The Department's capital plan summarizes the key facilities that the Department will use to carry out its mandate. The plan includes a study that identifies the facilities that meet the Department's needs, need modification, and which areas require new facilities.

The Department's plan prioritizes its needs for capital facilities. Many of the needs are immediate. The plan also describes longer-term needs.

The Department's plan demonstrates progress in summarizing the key capital assets it will require to deliver its programs and services.

## **Strategies to manage capital assets**

The Department's capital plan outlines criteria that guide the Department's decisions regarding facilities. The Department sets out criteria including:

- ♦ protection of individuals involved in the justice system;
- ♦ the ability of the Department to deliver programs and services;
- ♦ meeting Human Rights conventions and federal and provincial building codes and standards.

The Department's plan shows progress. It describes the criteria the Department uses to select capital assets strategies. By setting these criteria, the Department guides its future decisions about capital assets.