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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, 2004.

We found that the Department had adequate processes to safeguard public resources and ensure compliance with the law except as follows.

The Department needs to improve its processes to track, enforce, and collect fines. The Department does not know if it has enforced all fines and charges. As a result, the Department may not achieve its goals of safer communities and upholding the rule of law.

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 needs to focus its audit work on the activities where the Department is at greatest risk of loss of public money.

## Introduction

The mandate of the Department of Justice (Department) is to promote safe communities, social and economic order, and fair and just relations. The Department carries out its mandate through the operation of an independent, impartial, and effective justice system that upholds the rule of law and defines 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 expenses of \$310 million for the year ended March 31, 2004 (March 31, 2003 - \$302 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)	
	2004	2003
Department of Justice	\$ 195	\$ 184
Department of Corrections & Public Safety	118	116
Less expenses by Justice and Corrections for purposes other than the protection of persons and property	(57)	(53)
Information Services Corporation of Saskatchewan	36	38
Department of Labour	14	14
Other government agencies	4	3
	<u>\$ 310</u>	<u>\$ 302</u>

For the year ended March 31, 2004, the Department spent \$195 million on its programs and earned revenues of \$57 million. Information about the Department's revenues and expenditures appears in the Department's 2003-2004 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 2003-04 Public Accounts:

	Original Estimates	Actual
	(in millions of dollars)	
Community justice	\$ 98	\$ 99
Court services	35	35
Marketplace Regulation	5	5
Accommodation and central services	12	12
Legal services	18	20
Administration	4	4
Boards and commissions	19	20
	<u>\$ 191</u>	<u>\$ 195</u>

The Department is also responsible for the operations of several trust and special purpose funds and Crown agencies with years ending March 31, 2004. 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 Houses, Local Registrars, and Sheriff's Offices  
Victims' Fund

## **Our audit conclusions and findings**

**In our opinion, for the year ended March 31, 2004:**

- ♦ **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 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.

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 record issued tickets and collect unpaid fines.

### ***Tracking tickets needs strengthening***

The Department needs to improve its processes for the 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:

- ◆ the tickets it has distributed to law enforcement agencies;
- ◆ the tickets issued by law enforcement agencies; and
- ◆ 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 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.

We continue to recommend that the Department strengthen its procedures to ensure that the Department records the tickets issued by law enforcement agencies.

During the June 1, 2004 meeting of PAC, the Deputy Minister told the Committee that the Department planned to review, on a sample basis, outstanding tickets in its information system and use the information to guide future practices.

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

For several years, we made recommendations that the Department improve its procedures for collecting court-ordered fines. The Department has implemented all but one of these recommendations.

We continue to recommend that the Department ensure that when repeat offenders appear in court, the Department informs the sentencing judge of any unpaid fines.

The Department 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.

## **Internal audit needs strengthening**

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 ensure that its revenues and expenses comply with the law.

The Department has not directed its internal auditor to meet its expectations.

The internal auditor's work focuses almost exclusively on revenue that the Department collects through court offices and local registrars. The Department should ensure that the internal auditor focuses on those activities where the Department is at risk of loss of public money, e.g., payments for community justice.

We reported this matter in previous reports. In June 2004, PAC agreed with our recommendation.

We continue to recommend that the Department of Justice focus the work of its internal auditor on the activities where the Department is at greatest risk of loss of public money.

We are pleased with the Department's progress on this issue. It has developed a risk assessment process for the Department. Management told us that the 2004-05 internal audit plan will be based on this risk assessment process.