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Introduction

My Office helps to improve how government agencies manage public resources. We also help to improve the information government agencies give to the Legislative Assembly.

The Government delivers its services through nearly 300 agencies. These agencies include departments, Crown corporations, authorities, boards, commissions, and special purpose funds. Appendix 2 of this report lists these agencies. This report covers mainly agencies with March 31, 2005 year-ends. Our 2005 Report – Volume 1 covers mainly agencies with December 31, 2004 year-ends.

For the most part, the 130 agencies covered by this report have adequate practices to manage risks to public resources. That is, the agencies have sound practices to safeguard public resources and have complied with the laws governing their operations. Also, most agencies published reliable financial statements. However, serious problems exist at some agencies. The Government needs to fix these problems.

Also, many government agencies continue to improve their public accountability.

Part A of this chapter highlights issues concerning risk management and accountability for several government agencies covered in this report. Part B presents the main points for each chapter of this report to provide an overall summary of the report.

Risk management

My Office continues to focus on how government agencies manage risks related to the key forces and trends that affect them. Managing these risks is critical to effective government services and the ability to pay for those services. The key forces and trends affecting the Government include advancing technologies, economic constraints, globalization, pressures on the environment, and population changes.

Government agencies that are managed well have good governance practices. They have a clear plan of what they want to do, they determine the risks that may prevent them from carrying out their plan, and they have

strategies to reduce their risks. They also monitor their progress in achieving their plan.

In addition, well-managed agencies tell legislators and the public what they plan to do and how much it should cost. They then report what they actually did and what they spent. Having to answer for what they actually did compared to what they planned to do improves how government agencies manage public resources.

Under the headings of economic constraints, advancing technologies, and pressure on the environment, I highlight some of my Office's work related to these key forces and trends.

Economic constraints

The demand for public services continues along with the demand for lower taxes. Good governance and supervisory practices help agencies respond to these pressures.

Many of our findings in this report relate to poor or improper use of public resources when agencies do not carry out their duties effectively. For example:

- ◆ some boards of directors have not set direction or properly monitored the actions of senior management
- ◆ some agencies need to improve their written practices to better safeguard public resources
- ◆ some agencies have good written practices for safeguarding public resources, but employees do not always follow them
- ◆ some agencies have not adequately carried out their duties to supervise agencies that are accountable to them

Chapter 2—Health reports on the Department's progress in reorganizing the way the Government delivers health services. On August 1, 2002, the Department began to consolidate the activities of 32 district health boards into 12 regional health authorities. The Department and the authorities have made good progress to date. We recommend several improvements to help the delivery of effective health services. These improvements include:

- ◆ To ensure effective delivery of services, we recommend the Department clearly set out its expectations for services and health outcomes for the authorities. It then needs to monitor the authorities' performance and take corrective action when necessary.
- ◆ We also recommend that the authorities' boards set performance targets for their authorities, monitor performance, and take corrective action when necessary.

We set out six measures to help legislators and the public assess the sustainability of health spending in Saskatchewan. A sound understanding of the health system's finances is important for an informed debate about the issues facing the health system. These issues include the affordability of services and the maintenance of the health system's infrastructure. One of the measures shows that health spending is growing faster than the provincial economy and the consumer price index.

We report that the Department's practices for overseeing spending of community-based organizations that it finances have improved. The Department needs to make sure that these organizations use public money only to deliver agreed-upon services. We report on the actions the Department has taken as a result of the special investigation that we did on a community-based organization called the Métis Addictions Council of Saskatchewan Inc.

Chapter 3—Learning reports that the Department needs to improve its practices over student aid and provincial training allowances. To qualify for assistance, students must meet a financial needs test. The Department needs to do more to ensure that people receiving assistance are entitled to it.

Chapter 4—Community Resources and Employment reports on how the Department must continue to improve its supervisory practices to ensure employees follow prescribed practices. In Volume 1 of our 2005 Report, we reported that the Department incurred a loss of about \$1 million. An employee misused public money that was intended for social assistance payments.

The Department provides financial help to people who meet a financial needs test. The Department has good written practices to help ensure only eligible people receive aid. We report that employees are improving their compliance with those practices, but more work is needed to ensure that the people receiving assistance are entitled to it. We also report the Department is improving its child protection practices.

Chapter 7—Liquor and Gaming Authority reports that the Authority has improved its supervision of Saskatchewan Indian Gaming Authority Inc. (SIGA). We made several recommendations in 1999 and 2000 to improve Liquor and Gaming's supervisory practices. Those recommendations are now implemented.

Those recommendations relate to setting spending policies for SIGA, auditing SIGA's compliance with the policies, and the timely recovery of spending that does not comply with the policies. We report that Liquor and Gaming audited SIGA's compliance with spending policies for the year ended March 31, 2005. Based on information available, it identified spending of about \$1.2 million that did not comply with the policies or was considered unreasonable. Liquor and Gaming has not yet recovered any of the identified spending.

We also report a loss of \$247,000 at two liquor stores. Employees did not follow prescribed procedures that would have detected the loss of money earlier and reduced the size of the loss. Liquor and Gaming needs to better supervise its employees to ensure they comply with policies.

SIGA has made good progress in preparing written policies to control its spending. However, SIGA needs to better supervise employees to ensure they comply with those policies. SIGA spent money on marketing, promotion, salaries, and sponsorship that did not comply with approved policies.

When SIGA misspends, the full amount of the misspending is not available for First Nations communities.

Chapter 12—First Nations and Métis Relations reports on the management of money the Department provides to community development corporations and the First Nations Trust Fund. The Department's practices are improving. However, much more work is needed to ensure the money

these organizations receive is used for the intended purpose and is properly safeguarded.

Advancing technologies

Advances in information technology have a large impact on the risks at government agencies.

Computer systems and networks bring new risks to the security (i.e., accessibility, integrity, and confidentiality) of information that agencies use to manage. For information to be accessible, agencies must have plans to operate if their systems fail.

Chapter 8—Information Technology Office reports on the services the Office delivers to government departments. The Office has begun to deliver computer services to government departments that were previously delivered by those departments. The consolidation of computer services is intended to reduce costs, improve security, and improve services to the public.

The success of the Office depends on reliable and secure service to the departments. The Office has good practices to deliver services. However, the Office needs to better document its relationship with departments.

Chapter 5—Finance reports on a new system the Department is building to manage the Public Employees Pension Plan and the Capital Pension Plan. The development of the system has two phases. The first phase will provide better management of members' accounts. The second phase will allow members Internet access to their account information.

We audited the Department's project management practices for phase one. We make recommendations to improve practices for the development of phase two.

Chapter 2—Health reports on a planned in-depth audit of the payroll system the Saskatchewan Association of Health Organization (SAHO) uses to pay employees of regional health authorities and other health care agencies. SAHO prepares the payroll for 37,000 people. We will report on the security, integrity, and availability of the system in a future report to the Assembly.

Chapter 2—Health, Chapter 4—Community Resources and Employment, Chapter 7—Liquor and Gaming Authority, Chapter 13—Justice, and Chapter 17—Board of Internal Economy report these agencies need to prepare good business continuity plans. These agencies may be unable to deliver services, lose essential information, or incur increased costs if they have a major disruption and cannot resume operations in a timely way.

Pressure on the environment

Chapter 6—Environment reports on the Department's practices for regulating the quality of drinking water. The Department is the primary agency responsible to carry out the Government's Safe Drinking Water Strategy.

The Department's practices are adequate with two exceptions. The Department needs to better document its quality control reviews of water inspections and complete its required follow-up procedures on water tests.

Government accountability

My Office continues to focus on improving the Government's accountability to the Legislative Assembly. The ability of the Assembly to hold the Government accountable is key to good government.

Saskatchewan's public accountability system

Chapter 9—Public accountability systems compares Saskatchewan's system to systems used by other provincial governments and the Federal Government. Saskatchewan's system compares well with most Canadian jurisdictions. In certain respects Saskatchewan is a leader. For example, it has published cross-government strategies,¹ performance plans, and annual reports.

We also point out opportunities to improve Saskatchewan's system. For example, Saskatchewan should publish performance targets in public plans and reports. This would give legislators more information to understand and assess the performance of government agencies.

¹ The Government publishes performance plans and annual reports for the Safe Drinking Water Strategy and Kids First Strategy. These strategies focus the priorities of several government agencies to achieve a common objective.

Chapter 10—Managing for results reports on how well the Department of Corrections and Public Safety and the Department of Highways and Transportation manage their activities to achieve desired outcomes for the public's benefit.

These departments generally have good management practices to manage for results. The departments should improve how they monitor their progress towards achieving results. We also set out some good practices for government departments to use as they work towards managing for results.

Public plans and annual reports

The Department of Finance issues guidelines for improving plans and annual reports incrementally each year. It bases the reporting guidelines on the most current Canadian principles for annual reports in the public sector. The guidelines are based on a publication by CCAF-FCVI Inc. We encourage all government agencies to use these guidelines to improve their reports.

Chapter 11—Public plans and annual reports assessments reports our assessment of the 2005 public performance plans and annual reports of 16 government agencies. These agencies have generally complied with the Department of Finance's guidelines.

The plans and reports of these 16 agencies provide more information than they did previously. Legislators and the public now have better information to judge the performance of these agencies. We will continue to monitor how agencies improve their performance plans and annual reports.

Acknowledgement

The dedicated efforts of the staff of this Office are essential for the continuing achievement of its responsibilities. The knowledge and commitment of our staff make this report possible. A list of staff is set out in the following exhibit.

Exhibit

My colleagues at the Office of the Provincial Auditor for Saskatchewan are:

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Anderson, Mark	Lowe, Kim
Atkinson, Brian	Martens, Andrew
Bachelu, Gaylene	Montgomery, Ed
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Clemett, Tara	Pritchard, Brent
Dayman, Michelle	Ross, Chantara
Deis, Kelly	Rybchuk, Corrine
Dickin, Deann	Schell, Doug
Drotar, Charlene	Schiller, Rita
Duran, Jason	Schwab, Victor
Emond, Candice	Shaw, Jason
Ferguson, Judy	Shorten, Karen
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Harasymchuk, Bill	Thomson, Nathan
Heebner, Melanie	Thorson, Angela
Heffernan, Mike	Tomlin, Heather
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Hungle, Angie	Walker, Sandra
Kahovec, Steven	Wandy, Jason
Knox, Jane	Watkins, Dawn
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Compilation of main points

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Chapter 2—Health

Part A of this chapter sets out the results of our audits of the Department of Health (Health) and its Crown agencies. Health needs better reports from regional health authorities (RHAs) to monitor their progress in achieving Health's objectives and to hold them accountable for their annual spending of \$1.9 billion. It does not have a capital asset plan to manage its \$900 million in capital assets (e.g., land, buildings, and equipment). It needs a written, tested, and approved business continuity plan to help ensure that it can continue to provide critical services in the event of a disaster. Health also needs to focus activities of its internal audit where Health is at greatest risk of loss of public money or spending money for unintended purposes.

The Saskatchewan Cancer Foundation (Foundation) needs to complete the setting of the performance targets needed to monitor the Foundation's progress in achieving its objectives. The Foundation also needs to strengthen the preparation, approval, and implementation of information technology processes to ensure the confidentiality, integrity, and availability of information systems and data. It also needs a written, tested, and approved business continuity plan to ensure that it can continue to deliver its programs and services if its facilities or people are unavailable in case of a disaster.

The Saskatchewan Association of Health Care Organizations (SAHO) needs to prepare, approve, and implement written security policies and procedures for its information systems. It also needs a written, tested, and approved information technology (IT) disaster recovery plans to ensure that it can continue to deliver its programs and services if its IT systems are not available.

SAHO also needs to strengthen its processes to ensure that payments made by its insurance carrier for its dental benefits plans comply with its agreements with its insurance carrier and its plan texts. In addition, SAHO needs a written agreement with all healthcare organizations where it provides services.

Part B sets out six financial measures that help the Legislative Assembly and the public to assess the sustainability of health spending. A sound understanding of health spending is important for an informed debate about the health issues facing Saskatchewan. Those issues pertain to the affordability of programs and services and the maintenance of Saskatchewan's health care infrastructure of buildings and equipment.

Part C describes the results of the audits of the 12 RHAs. Boards of directors of the RHAs need to improve how they set direction, monitor performance, safeguard public resources, comply with the law, and ensure adequate accountability to the Legislative Assembly.

Chapter 3—Learning

The learning sector spends over \$2 billion each year to provide pre-kindergarten to Grade 12 education, post-secondary education, technical training, public libraries, and student financial assistance.

The Department of Learning oversees the learning sector including its various partners (such as school boards, universities, regional colleges, public libraries). In its 2004-05 Annual Report, the Department has started to report results against the learning sector plan. Also, it is working with school divisions to re-focus their reporting from activities to results and to help them prepare financial statements using proper accounting policies.

The Department must know if its services achieve the intended results. The Department evaluates its services, but needs to use a department-wide risk assessment to make sure its evaluations focus on high-risk areas.

The Department provides adults with significant financial support (e.g., student loans, provincial training allowances). In prior years, we reported that the Department needs to make sure it provides eligible persons with the correct amount of support. While the Department has made some improvements, more work remains.

The Department provides many individuals and agencies with money. This can place staff in potential positions of conflict. While the Public Service Commission has policies on acceptable conduct, the Department needs to provide its staff with written guidance to help staff avoid conflicts-of-interest.

The Department has taken some steps to address our 2004 recommendations about its capital construction processes. It has adjusted its processes to get more information before and during construction. It plans to make further changes to better document and track risks related to major capital construction projects. It expects these changes will help it identify risks earlier and monitor the capital construction better.

Chapter 4—Community Resources and Employment

The Department of Community Resources and Employment (DCRE) needs to strengthen its rules and procedures (processes) to ensure that it spends

public money only for the purposes intended by the Legislative Assembly. DCRE needs to continue to strengthen its processes:

- ◆ to ensure that only eligible clients receive social assistance and that they receive the correct amount of assistance
- ◆ to ensure that it protects children and that payments to care givers are authorized
- ◆ to improve its assessment of the CBOs' progress in achieving DCRE's operational objectives

DCRE needs to focus the work of its internal auditor on the activities where DCRE is at greatest risk of loss of public money or spending money for unintended purposes.

DCRE needs a business continuity plan to help ensure that it can continue to deliver its critical services in the event of a disaster. Also, it must strengthen its information technology security processes to ensure the confidentiality, integrity, and availability of information systems and data.

We have observed that DCRE is working diligently to implement our recommendations and to improve its performance.

Chapter 5—Finance

The General Revenue Fund's (GRF) 2005 financial statements are not reliable because Finance used accounting practices that are not in accordance with Canadian generally accepted accounting principles for the public sector. They do not report the GRF's pension liability of \$4.1 billion, and understate pension costs by \$120 million. The financial statements also inappropriately report a \$383 million transfer to the Fiscal Stabilization Fund as an expense and \$44 million as loans receivable from Crown corporations.

We have significant concerns with the GRF financial statements because the Government uses the GRF's annual surplus or deficit as one of its key performance indicators. The Government now presents a summary financial plan for the entire Government as part of the Budget and Performance Plan Summary. We encourage the Government to report on its performance using this summary financial plan together with its summary financial statements, rather than using the GRF statements.

Finance needs a written, tested, and approved business continuity plan to help ensure that it can continue to provide critical services in the event of a disaster.

We note that while some pension plans administered by Finance have improved their governance processes, others have made no significant progress in improving their governance processes.

We also report on the Public Employees Pension Plan (Plan). The Plan needs to improve its information technology security policies. As well, the Plan had difficulty implementing its new computerized pension administration system on time, because it did not adequately document the project's risks or management's plans to reduce these risks.

As well, we report that the performance information reported by Finance in its *Annual Report 2004-2005* is reliable and understandable.

Chapter 6—Environment

In our 2005 Report – Volume 1 and prior reports, we made recommendations for the Department to improve its processes to safeguard public resources. The Department has not fully addressed these recommendations. Accordingly, the control deficiencies we reported in those reports continued during 2005. Also, in 2005 the Department did not prepare complete and accurate financial statements as required by the *Financial Administration Manual*.

In 2005, we examined the Department's processes to regulate the quality of drinking water. Access to clean and safe drinking water is essential for public health and well-being. The Department is the agency primarily responsible to carry out the Government's Safe Drinking Water Strategy that includes action plans to deal with the risks related to drinking water.

We concluded that the Department had adequate processes to regulate the quality of drinking water, except that it needs to document its quality control reviews of waterworks inspections and follow up water quality monitoring results.

Chapter 7A—Liquor and Gaming Authority

In this chapter, we report the results of our audit of the Liquor and Gaming Authority (Liquor & Gaming) for the year ended March 31, 2005 and our investigation of alleged misuses of money at two liquor stores.

Liquor & Gaming completed its audit of SIGA's expenses for the year ended March 31, 2005 and based on the information available identified expenses totalling nearly \$1.2 million that Liquor & Gaming considered unreasonable or did not comply with approved policies. However, it has not yet recovered money from the First Nations Trust Fund as allowed under the 2002 Framework Agreement. Also, Liquor & Gaming needs to:

- ◆ control its bank accounts
- ◆ prepare an information technology strategic plan, and information technology security policies and procedures
- ◆ prepare a complete business continuity plan

Our investigation of alleged misuses of public money shows that Liquor & Gaming incurred a loss of public money totalling at least \$247,000 at two of its liquor stores. Liquor & Gaming needs to:

- ◆ provide more direction and training to employees to do assigned tasks properly
- ◆ ensure compliance with established policies to control its bank accounts
- ◆ better communicate critical information amongst its various branches

Improving the above controls would help detect any misuse of public money sooner.

Chapter 7B—Saskatchewan Indian Gaming Authority Inc.

Saskatchewan Indian Gaming Authority Inc. (SIGA) has made good progress to address all of our past recommendations. However, some significant work remains. SIGA has not yet implemented necessary policies and procedures for certain operating areas (e.g., ancillary, marketing, and promotion). Also, SIGA needs to prepare an information technology

strategic plan and security policies and procedures for its information technology.

While SIGA's compliance with approved policies improved in 2004-05, it needs to do more to ensure its employees understand and follow the approved policies. SIGA incurred expenses that did not comply with approved policies. Staff and management did not always follow the approved policies relating to delegation of authority, supporting payments for travel, business expenses, marketing, promotion, and sponsorship. SIGA can help ensure compliance by staff and management by providing more training, and clear written guidance to staff on how to do their assigned tasks. Also, SIGA must foster a culture of compliance with rules by promoting zero tolerance for non compliance.

We also report that SIGA's consolidated financial statements for the year ended March 31, 2005 are reliable.

Chapter 8—Information Technology Office

The mandate of the Information Technology Office (ITO) includes developing, promoting, and implementing policies and programs of the Government of Saskatchewan relating to information technology (IT) and information management. At March 31, 2005, it had adequate rules and procedures to safeguard public resources and complied with authorities governing its activities.

The ITO has begun to deliver IT services that were previously delivered by individual Government agencies. At September 30, 2005, the ITO delivered IT services for 10 agencies and is in discussions with others.

Our audit examined whether the ITO has adequate processes to manage the delivery of agreed-upon IT services to clients. To adequately manage the delivery of IT services, we expected the ITO would:

- ◆ establish service delivery processes
- ◆ implement service level agreements with clients
- ◆ manage ongoing service delivery

The ITO has established service delivery processes to enable it to consolidate IT functions while serving clients on an ongoing basis. The ITO

has adequate processes to manage delivery of IT services, except in the following two areas.

The ITO needs to sign service level agreements with its clients before delivering IT services. Service level agreements describe the responsibilities of the ITO and its clients, including the services provided and delivery targets. Signed service level agreements help the ITO and its clients understand their responsibilities.

The service level agreements do not adequately identify security and disaster recovery requirements for the ITO and its clients. The ITO should sign agreements with its clients that include security and disaster recovery requirements. We note that the ITO has begun to sign agreements (charters) with its clients that address security requirements.

Chapter 9—Public accountability systems

In this chapter, we compare Saskatchewan's public accountability system to systems used by other provincial governments and the Federal Government. A sound public accountability system consists of agreed-upon business and financial plans between the Government and the Legislative Assembly (Assembly), reliable reports prepared by the Government for the Assembly, and reasonable reviews of Government plans and reports by the Assembly.

Saskatchewan's accountability system compares well with those of most Canadian jurisdictions. In certain respects, Saskatchewan is a leader by:

- ◆ formally adopting the CCAF's principles for the preparation of public plans and annual reports for departments
- ◆ publishing key sector plans and reports for most cross-government strategies
- ◆ publishing a broad spectrum of information on who receives public money and the amounts
- ◆ permanently referring annual reports to standing committees of the Assembly for review.

Opportunities for Saskatchewan to improve its public accountability system include:

- ♦ publishing an annual Government-wide report that shows the Government's progress in achieving its planned results and costs for the Government as a whole
- ♦ disclosing performance targets in public plans and annual reports and reporting on capacity to manage key risks and achieve stated objectives
- ♦ enacting accountability legislation setting out the key elements of the Government's public accountability system

Chapter 10—Managing for results

During 1999-2005, the Government invested public resources to guide department managers to change their management processes. Managers were asked to focus on results—both actions and outcomes. We anticipate this change will occur at varying rates across government and within departments.

We audited the results-based management processes of two leading departments to identify how they focus on results. We appreciate the full co-operation given to us by the Department of Corrections and Public Safety and the Department of Highways and Transportation.

We found these leading departments had increased their focus on results. Both departments use some innovative management processes. Both continue to experiment to gain perspective on their planned outcomes. We concluded that as of August 31, 2005, these two departments had adequate processes to achieve planned results except for monitoring results. We recommended both departments improve their processes to analyze and report quarterly to executive managers the departments' progress toward planned outcomes.

To support further progress, we set out some of the key steps that could help any agency improve its performance management processes.

Chapter 11—Public plans and annual report assessments

In 2003, the Department of Finance established guidelines for preparing public plans and annual reports for all departments and certain other

agencies. The guidelines contain a four-year implementation schedule that recognizes that improved public reporting takes time and resources.

The guidelines are based on sound performance reporting principles. These guidelines should enable government agencies to effectively report their progress in achieving their plans.

We assessed the public plans and annual reports of departments, three Crown agencies, and two cross-government strategies for the year ended March 31, 2005. The plans and annual reports contain most of the current requirements of the Department's reporting guidelines. The plans and reports provide more performance information than they did previously and thus enhance public accountability.

Chapter 12—First Nations and Métis Relations

The Department of First Nations and Métis Relations was created October 1, 2004. It assumed programs previously delivered by the former Department of Government Relations and Aboriginal Affairs.

The Department provided certain First Nations organizations with \$30.6 million in 2004-05 under the 2002 Framework Agreement. The Agreement restricts how this money must be managed and spent. These restrictions help ensure First Nations people benefit from this money. Since 2003, we have raised concerns that the Department does not do enough to make sure this money is spent as required by law. During its first six months of operations, the Department has made some progress, but more work remains.

Further, the Department is taking steps to make its information for the Aboriginal Employment Development Program more consistent and reliable. The Department needs to inform the public of its progress in meeting its short- and longer-term targets for the participation of Aboriginal people in the workforce.

Chapter 13—Justice

In this chapter, we set out the results of our audits of the Department of Justice (Justice) and the agencies it manages for the year ended March 31, 2005.

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

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

Justice needs to segregate the duties of employees of the Local Registrar offices and Administrative Services Branch to safeguard resources from misuse.

Justice also needs to complete and implement its business continuity plan.

Chapter 14—Saskatchewan Gaming Corporation

Saskatchewan Gaming Corporation (SGC) needs to comply with its approved policies and procedures related to delegation of authority, purchasing, code of conduct, and employees' performance evaluations.

Also, SGC needs to document and monitor explanations for differences between actual and expected revenues from table games and document and approve an information technology strategic plan.

Chapter 15—Northern Affairs

To help develop businesses in northern Saskatchewan, the Department of Northern Affairs makes loans to eligible persons beginning or operating businesses. For most of the year, the Department did not have a process to ensure it properly approves all loan documents before it makes the loans. Also, we report that the Department does not have a process to ensure it receives and analyzes the borrowers' financial and operating information as required by the loan agreements.

We report that the Department needs to comply with *The Financial Administration Manual* when it receives money in the mail and pays honorariums to members of its Environmental Quality Committee. The Department did not ensure that the two people who open the mail signed

the records and did not ensure that it reconciled the cash received to the bank deposit.

During the year, the Department compensated government employees who served on its Environmental Quality Committee. These employees were not eligible for compensation. Near the year-end, the Department stopped compensating government employees serving on its committee.

Chapter 16—Agriculture, Food and Rural Revitalization

In this chapter, we report the results of the audit of the Department of Agriculture, Food and Rural Revitalization (Department) and the special purpose funds and agencies for which it is responsible.

For the audits that are complete and where we participated in the audit, we concluded that the financial statements of the Department's special purpose funds and agencies are reliable. The Department and its agencies complied with the authorities governing their activities. The Department and its agencies had adequate processes to safeguard public resources except as noted below.

For the Agri-Food Innovation Fund and the Pastures Revolving Fund, the Department needs to improve its processes to ensure that it maintains accurate financial information to prepare the Funds' financial statements.

Chapter 17—Board of Internal Economy

The Board of Internal Economy (Board) is generally well managed and is complying with the law. However, the Board needs to make further improvements in three areas.

First, the Board needs to complete its business continuity plan to help ensure that it can continue to deliver its vital services in the event of a disaster.

Second, the Board needs to approve the plans and reports it uses to make decisions. The Board should ensure that the reports it receives provide the information it requires to assess performance.

Third, the Board needs to prepare an annual report on its operations. An annual report is a necessary accountability document for all public sector agencies.

Chapter 18—Office of the Executive Council

The Office of the Executive Council had adequate processes to safeguard public resources except that it needs to provide the Legislative Assembly with a performance plan and annual report each year. It also needs to develop systems to measure the results achieved for its key performance measures.

We also report that the Department complied with authorities governing its activities.

Chapter 19—Office of the Chief Electoral Officer

The Office of the Chief Electoral Officer plays an integral role in our electoral process. It is important that the public have confidence in our electoral process.

Telling legislators and the public what it achieved compared with what it planned to do will help the Electoral Office to show how well it manages.

The Office of the Chief Electoral Officer needs to make continued improvements to its performance plan and annual report.

Chapter 20—Saskatchewan Property Management Corporation

In this chapter, we report the results of the audit of Saskatchewan Property Management Corporation (SPMC) for the year ended March 31, 2005.

We concluded that the financial statements of SPMC are reliable. SPMC also complied with the authorities governing its activities. It had adequate processes to safeguard public resources except SPMC needs to improve its process to record estimates in its financial statements.

SPMC records significant estimates in its financial statements. These estimates involve complex calculations. SPMC needs to properly

document, review, and approve all accounting estimates before recording them in the accounts.

Effective April 1, 2005, SPMC became the Department of Property Management.

Chapter 21—Reporting on infrastructure—follow-up

This chapter describes the status of our 2002 and 2003 recommendations about the adequacy of the information that three government agencies made public about key infrastructure they manage. These agencies are Saskatchewan Transportation Company (STC), Department of Highways and Transportation (Highways), and Department of Property Management (SPM).

STC has fully addressed our recommendation for improved public information. While Highways and SPM have improved the quality of information they publish, further improvements are needed, particularly the public disclosure of targets. We recognize that most of these improvements will occur in conjunction with improvements in performance reporting expected under the Government's Accountability Framework.

Chapter 22—Standing Committee on Public Accounts

The Standing Committee on Public Accounts (Committee) is a key agent of change for improving the Government's management of public resources. The Committee reviews the activities, performance, and reports of all government departments, agencies, and Crown corporations included in the Public Accounts. During its review, the Committee can inquire about past performance, current concerns, and future objectives. Increasingly, the Committee's discussions relate to broader issues including strategic plans, key risks to achieving goals and objectives, and performance measurement.

Through its work and recommendations, the Committee helps the Legislative Assembly hold the Government accountable for its spending of public money and for its stewardship over public assets. The Government has fully implemented 91% of the Committee's recommendations. Of the recommendations that are not yet fully implemented 80% are partially implemented.

In the exhibit to this chapter, we set out the status of the Committee's outstanding recommendations and indicate whether the Government has partially implemented them or has not implemented them. Where possible, we also indicate the progress made since our 2004 Report – Volume 1.