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Main points

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.

Introduction

The mandate of the Department of Justice (Justice) is to promote safe communities, social and economic order, and fair and just relations. Justice 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.

Justice provides legal services for the Government, and justice and police services for the people of Saskatchewan. Justice 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 \$319 million for the year ended March 31, 2005 (March 31, 2004 - \$310 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) | |
|---|--------------------------|---------------|
| | <u>2005</u> | <u>2004</u> |
| Department of Justice | \$ 202 | \$ 195 |
| Department of Corrections & Public Safety | 120 | 118 |
| Less expenses by Justice and Corrections for purposes other than the protection of persons and property | (58) | (57) |
| Information Services Corporation of Saskatchewan | 34 | 36 |
| Department of Labour | 14 | 14 |
| Other government agencies | <u>7</u> | <u>4</u> |
| | <u>\$ 319</u> | <u>\$ 310</u> |

For the year ended March 31, 2005, Justice spent \$202 million on its programs and earned revenues of \$58 million. The major sources of this revenue are fees and fines. Information about Justice's revenues and expenditures appears in the Department of Justice's 2004-2005 annual report (see <http://www.saskjustice.gov.sk.ca>).

The following is a list of Justice’s major programs and spending as reported in the 2004-05 Public Accounts:

| | Original <u>Estimates</u> | <u>Actual</u> |
|------------------------------------|------------------------------|---------------|
| | (in millions of dollars) | |
| Community justice | \$ 102 | \$ 102 |
| Court services | 36 | 35 |
| Marketplace regulation | 5 | 5 |
| Accommodation and central services | 14 | 14 |
| Legal services | 18 | 20 |
| Administration | 4 | 5 |
| Boards and commissions | <u>21</u> | <u>21</u> |
| | <u>\$ 200</u> | <u>\$ 202</u> |

Justice is also responsible for the operations of several trust and special purpose funds and Crown agencies with years ending March 31, 2005. These include:

- Judges of the Provincial Court Superannuation Plan (see chapter for Department of Finance)
- Law Reform Commission of Saskatchewan
- Office of the Rentalsman Trust Account
- Provincial Mediation Board Trust Account
- Public Guardian and 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

At the date of this report, we have not completed our audit of Justice’s rules and procedures to safeguard public resources and on its compliance with governing authorities for the Victims’ Fund. We will report the results of this work in a future report.

In our opinion, for the year ended March 31, 2005:

- ◆ **the financial statements for the agencies and funds are reliable**
- ◆ **Justice and its agencies had adequate rules and procedures to safeguard public resources, except where we report otherwise in this chapter**
- ◆ **Justice and its agencies complied with the authorities governing their activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing**

System to enforce and collect fines needs improvement

Justice 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.

Justice'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
- ◆ collecting unpaid fines

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

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

The recording, tracking, and enforcement of tickets

Justice 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 Justice properly enforces fines and criminal charges. Several provincial government agencies, as well as other levels of government (i.e., federal and municipal), rely on Justice 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 Justice to have processes to know:

- ◆ the tickets issued by law enforcement agencies
- ◆ unissued tickets

We expected Justice 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.

Justice does not have processes directly or through agencies to track issued and unissued tickets. As a result, it does not know if it has recorded all tickets issued by agencies.

Our tests show that Justice cannot account for tens of thousands of tickets distributed to agencies over the past five years. Justice does not know if these missing tickets have been issued, voided, cancelled, or lost. As a result, Justice does not know if it has enforced all fines and criminal charges. This lack of rules and procedures could result in Justice 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 recommendation.

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

During the June 1, 2004 meeting of PAC, the Deputy Minister told the Committee that Justice planned to review, on a sample basis, outstanding tickets in its information system and use the information to guide future practices. In the April 12, 2005 meeting of PAC, the Deputy Minister told the Committee that this review is in progress.

The collection of unpaid fines

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

In January 1999, PAC recommended that procedures be developed to ensure that when repeat offenders appear in court, the sentencing judge will be informed if previous fines are unpaid.

Justice carried out a pilot project. The Deputy Minister reported the results at the April 12, 2005 meeting of PAC. The Deputy Minister told the Committee that the limitations of Justice's existing fines system prevent it from efficiently providing this information to the courts. This system is in the process of being replaced, and Justice intends to explore the feasibility of automated tracking of this information.

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

Control of cash and suppliers' payments needed

Justice needs to control its cash and suppliers' payments. To do this, Justice must segregate duties of its employees to safeguard resources from misuse. Segregation of duties is inadequate when an employee is in a position to perpetrate and conceal errors or frauds in the normal course of their duties. Justice also needs to segregate duties to ensure that errors or fraud are detected in a timely manner.

We found that some employees at Local Registrar offices have access to cash, enter cash receipts into the accounting system, and do the bank reconciliations. The Local Registrar offices collect approximately \$6 million annually.

We found that some employees at the Administrative Services Branch can approve changes to records that establish eligible suppliers, approve payments to suppliers, and record payments to suppliers into the accounting system.

We also found that at the Administrative Services Branch accounting entries could be prepared and approved by the same person.

- 1. We recommend that the Department of Justice segregate the duties of employees handling cash and recording cash receipts at the Local Registrar offices.**
- 2. We recommend that the Department of Justice segregate the duties of employees that approve changes to eligible suppliers, approve payments to suppliers, and record payments to suppliers at the Administrative Services Branch.**
- 3. We recommend that the Department of Justice segregate the duties of employees preparing and approving accounting entries at the Administrative Services Branch.**

Business continuity plan needs improvement

Justice needs to complete its business continuity plan (BCP)¹ to help ensure that it can continue to deliver its critical services in the event of a disaster.

During the year, Justice made progress in developing its BCP. It identified staff responsibilities that would be required to respond to a department emergency. Also, Justice identified its critical services and is completing the development of plans for them. Justice now needs to clearly prioritize

¹ **Business Continuity Plan** (BCP)-Plans by an organization to respond to unforeseen incidents, accidents, and disasters that could affect the normal operations of the organization's critical operations or functions.

Disaster Recovery plan (DRP)-Plans by an organization to respond to unforeseen incidents, accidents and disasters that could affect the normal operation of a computerized system (also known as **Contingency Plan**). A DRP or contingency plan is only one component of the Business Continuity plan.

which functions would be recovered and when, and ensure all key staff is aware of the priorities. Justice also needs to improve its documentation of procedures for invoking the plan, for central coordination of the plan, and for coordination between the branches.

- 4. We recommend that the Department of Justice complete and implement its business continuity plan.**

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